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ABSTRACT

In 1992, Human Resources Development Canada launched the Self-Sufficiency Project (SSP), which was a research and demonstration effort involving long-term, single-parent Income Assistance (IA) recipients in New Brunswick and British Columbia. Under SSP, IA recipients who left IA and worked at least 30 hours per week were offered a generous but time-limited monthly earnings supplement. A short-term study of SSP established that nearly one-third of those offered the earnings supplement took full-time jobs and exited IA. In March 1995, a SSP was supplemented with a range of pre- and postemployment services. The new program was called SSP Plus. The impact of the SSP Plus program on employment patterns among IA recipients was examined in comparative analyses of regular SSP, SSP Plus, and control groups. The additional services in SSP Plus led to an increase in the percentage of persons taking advantage of the supplemental offer (52% after implementation of SSP Plus versus 35% before). The additional services in SSP Plus led to a small increase in full-time employment, decrease in receipt of IA, and modest increase in after-tax family income. (The document contains 16 references and 41 tables/figures. Appended are five additional tables of technical data.) (MN)

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Does SSP Plus Increase Employment?

The Effect of Adding Services to the Self-Sufficiency Project's Financial Incentives

a project sponsored by

HRDC
HUMAN RESOURCES DEVELOPMENT CANADA

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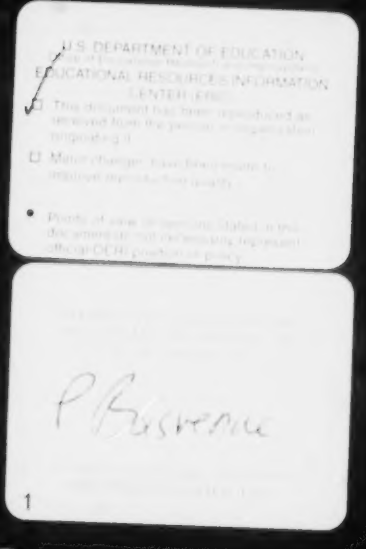

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Other SRDC reports on the Self-Sufficiency Project:

Creating an Alternative to Welfare: First-Year Findings on the Implementation, Welfare Impacts, and Costs of the Self-Sufficiency Project. Tod Mijanovich and David Long. December 1995.

The Struggle for Self-Sufficiency: Participants in the Self-Sufficiency Project Talk About Work, Welfare, and Their Futures. Wendy Bancroft and Sheila Currie Vernon. December 1995.

Do Financial Incentives Encourage Welfare Recipients to Work? Initial 18-Month Findings from the Self-Sufficiency Project. David Card and Philip K. Robins. February 1996.

When Work Pays Better Than Welfare: A Summary of the Self-Sufficiency Project's Implementation, Focus Group, and Initial 18-Month Impact Reports. March 1996.

How Important Are "Entry Effects" in Financial Incentive Programs for Welfare Recipients? Experimental Evidence from the Self-Sufficiency Project. David Card, Philip K. Robins, and Winston Lin. August 1997.

Do Work Incentives Have Unintended Consequences? Measuring "Entry Effects" in the Self-Sufficiency Project. Gordon Berlin, Wendy Bancroft, David Card, Winston Lin, and Philip K. Robins. March 1998.

Which Financial Incentives Encourage Work: Complete 18-Month Findings from the Self-Sufficiency Project. Winston Lin, Philip K. Robins, David Card, Kristen Harknett, and Susanna Lui-Gurr. September 1998.

When Financial Work Incentives Pay for Themselves: Early Findings from the Self-Sufficiency Project's Applicant Study. Charles Michalopoulos, Philip K. Robins, and David Card. May 1999.

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Preface

This is the latest in a series of reports published on the Self-Sufficiency Project (SSP), a test of a "making work pay" strategy to encourage work among long-term welfare recipients. This report presents findings on what happens when SSP's financial incentives are offered in conjunction with employment-related services.

These new findings show that a combination of incentives and services can help a substantially larger proportion of eligible participants move into full-time employment than can be achieved by offering financial assistance alone. This increase in program "take-up" results in increases in the program impacts on employment and the receipt of Income Assistance (IA) over and above the impacts produced by financial incentives alone. These incremental increases in impacts were small, however. It appears that "digging deeper" into the IA caseload by providing job-finding help to participants meant that a larger proportion of those helped into jobs by SSP had difficulty holding on to full-time employment on a permanent basis. Thus, helping people leave welfare for work is only the first step. An important part of the policy challenge is to find effective ways of helping people retain employment.

In 1992, Human Resources Development Canada (then called Employment and Immigration Canada) announced the launch of SSP. It was an ambitious undertaking in many respects. SSP would last almost 10 years and involve more than 9,000 participants in two provinces. It would use a complex design to enrol participants in three separate research samples and employ a random assignment evaluation design — widely viewed as the most reliable way to measure program impacts, but a method that has been rarely used in social policy research in Canada.

More important, the project set itself the challenging task of trying to deal simultaneously with the problems of poverty and dependence. Programs that transfer income to poor people in order to reduce poverty typically reduce the incentive for recipients to seek and accept employment, particularly if their potential earnings are low. This problem is reflected in the real-life experiences of welfare-reliant families. Because many of those receiving Income Assistance have low levels of education or limited work experience, they often encounter starting wages that will pay them less than the amount they receive in welfare benefits. Therefore, they face a stark choice: they can continue their reliance on welfare or they can accept a lower income in the work world, at least until their earnings rise with increasing experience and skills.

SSP was designed to test an innovative financial incentive for single parents who were long-term IA recipients. The incentive, in the form of a generous, but temporary, monthly earnings supplement, would put more money in the hands of poor families and, at the same time, encourage work as a way of achieving economic self-sufficiency. To receive the supplement, a person had to leave Income Assistance for full-time employment; payments could then be received for up to three years.

SSP was designed and is managed by the non-profit Social Research and Demonstration Corporation, and it is now well along in its operational phase. The project has reached the point where HRDC's substantial investment to finance SSP has begun paying dividends in the form of a rich body of research evidence.

Last October, a report titled *When Financial Incentives Encourage Work: Complete 18-Month Findings from the Self-Sufficiency Project* presented initial in-program impact results with SSP's main sample of long-term IA recipients. In this new report, we provide the first results of offering SSP's financial incentive in combination with employment services. A companion report, *When Financial Work Incentives Pay for Themselves: Early Findings from the Self-Sufficiency Project's Applicant Study*, also being published this month, presents findings on the effects of SSP's financial incentive with a somewhat less disadvantaged group of IA recipients, who had a relatively shorter history of welfare receipt.

Together these findings are beginning to tell an exciting story. SSP's approach of linking income transfer payments to work effort can both encourage work and fight poverty. SSP doubled the percentage of eligible participants who were off welfare and working full time 18 months after entering the program. Employment impacts were achieved with long-term Income Assistance recipients who had a broad range of characteristics, although the effects were somewhat larger for those who were more job ready or faced fewer barriers to working. Adding job-finding help substantially increased the proportion of participants who are able to take advantage of SSP's financial offer.

SSP appears to be an efficient income transfer mechanism. While the program results in a modest increase in government cost, each extra dollar of government spending led to an additional three dollars of income for these poor families. The cost-effectiveness of SSP remains to be determined. Much depends on what happens to participants after the three-year period of supplementation ends. SSP's results with the "new applicant" sample, however, suggest that a program of this type in a fully mature state might not entail any net cost to governments.

The results available so far are for a relatively short follow-up period. The final chapters of the SSP story are yet to be written. Next year we will report on how people fared 36 months after entering the study, including the program's effects on the children in participating families. SSP's long-term impacts will be based on data from a follow-up survey conducted 54 months after entry into the study, and after the supplement period has ended.

We believe, however, that the findings already emerging from SSP can provide useful pointers to policy-makers and practitioners as they seek to identify promising directions for future social policies and programs.

John Greenwood
Executive Director

Acknowledgements

Both the Self-Sufficiency Project (SSP) and this report result from the collaboration of many people and organizations, who have brought a combination of research, data management, and operational experience to the effort. We are grateful to everyone who has contributed to this endeavour, and we would like to acknowledge some of the people whose guidance, support, and assistance were critical to the preparation of this report.

SSP would not have been possible without the sponsorship and extraordinary support of Human Resources Development Canada (HRDC), where the idea to test earnings supplements originated. Jean-Pierre Voyer and Allen Zeesman of HRDC's Applied Research Branch continue to provide direction and invaluable advice on matters large and small.

Many staff members throughout the Income Assistance system in New Brunswick have given valuable assistance and support. We thank in particular Karen Mann and her staff at Human Resources Development–New Brunswick.

Collecting and processing the survey and administrative records data for this report was a major effort involving the work of many people at Statistics Canada. Richard Veevers and Ann Brown, with Charlene Walker and many other staff members, devoted long hours to planning and implementing procedures for survey administration, data quality control, and complex data processing.

Paying SSP's earnings supplement accurately and promptly and maintaining the Program Management Information System (PMIS) have been the tasks of SHL Systemhouse Inc. in Nova Scotia. Judy Sampson, Melony McGuire, and their staff have been responsible for maintaining the system and for issuing cheques.

We would also like to thank Shelly Price, Linda Nelson, and their staff at Family Services Saint John, Inc., in New Brunswick, who helped design the SSP Plus services and who made SSP and SSP Plus operational realities. Shelly Price and Linda Nelson also thoughtfully reviewed drafts of this report.

At the Social Research and Demonstration Corporation (SRDC), John Greenwood directed the project and provided invaluable guidance at all stages of the analysis and writing for this report, from the initial framing of research questions to the final revisions of the text. Saul Schwartz reviewed outlines and drafts of the report and had a strong influence on its focus. Susanna Lui-Gurr also reviewed drafts of the report and provided crucial information for understanding data from the PMIS system. Wendy Bancroft conducted focus groups and contributed insights into participants' experiences. Patrick Villeneuve provided valuable information on the policy environment and economic conditions in New Brunswick.

At Manpower Demonstration Research Corporation (MDRC), many people worked diligently and thoughtfully to help prepare the report. As director of MDRC's work on the project, Gordon Berlin contributed greatly to the development of the SSP Plus program as well as to the shape and content of this report. Judith Gueron and Barbara Goldman reviewed several drafts and helped us sharpen the analysis and presentation. Martey Dodoo was responsible for the creation and management of data files, with the help of Kara Balemian.

who also mastered data from the PMIS to estimate the program participation rates presented in the report. Mitchelle Pierre coordinated document production, and created tables and figures. Colleen Parker and Diana Adams-Ciardullo checked the accuracy of the exhibits and text, with the assistance of Jevon Nicholson, Benjamin Schall, and Ebonya Washington. Nina Gunzenhauser edited the report with the assistance of Robert Weber, and Patt Pontevolpe and Stephanie Cowell did the word processing. Rosa De Los Santos and Rose Harris took care of scheduling and many other administrative matters. Judith Greissman and Greg Hoerz also provided valuable advice and help.

The Authors

Executive Summary

Income Assistance (IA) is a complex issue, and it provokes a variety of responses in recipients, policymakers, and others. Those in need of assistance are grateful for the support it provides, but they often feel stigmatized by their reliance on welfare and aspire to a higher standard of living. Taxpayers and legislators recognize Income Assistance as a necessary part of the social safety net, but they are troubled by the possibility that the system encourages dependence and discourages work effort.

In 1992, to learn whether financial incentives could encourage welfare recipients to begin working, Human Resources Development Canada (HRDC) launched the Self-Sufficiency Project (SSP) — a unique research and demonstration effort involving long-term, single-parent welfare recipients in New Brunswick and British Columbia. SSP offered IA recipients who left Income Assistance and worked at least 30 hours per week a generous, but time-limited, monthly earnings supplement. These IA recipients had one year after being initially offered the supplement to find full-time employment. After finding full-time employment, they could then apply for and receive the supplement for up to three years. During those three years, they could return to Income Assistance if they left or lost their full-time jobs and could reapply for the supplement if they regained full-time employment. SSP is managed by the Social Research and Demonstration Corporation; the research team is headed by the Manpower Demonstration Research Corporation. To become part of the Self-Sufficiency Project, a welfare recipient had to be a single-parent head of a household who had received Income Assistance for at least 11 of the past 12 months. Restricting the study to long-term IA recipients reduced the likelihood that the program would serve large numbers of people who could have left welfare without the help of the financial incentive. It also reduced the likelihood that people would apply for welfare in the hope of eventually receiving the supplement.

The short-term effects of the supplement offer on the research group's employment and earnings were recently documented in *When Financial Incentives Encourage Work: Complete 18-Month Findings from the Self-Sufficiency Project* (1998). Approximately one-third of those who were offered the earnings supplement took full-time jobs and exited Income Assistance. Although the SSP financial incentive substantially increased employment and earnings and decreased IA receipt for many, two-thirds of the parents did not take advantage of the supplement offer. Some decided against full-time work because they preferred to remain at home with their children or to attend school. But others were unable to find full-time jobs or did not even attempt to look for jobs because they did not think they could find them. The fact that many persons did not take advantage of the supplement offer raises an important question: If these people had also been offered job-search and related services, would more of them have obtained full-time jobs and taken advantage of the earnings supplement? Many of those who did take advantage of the supplement offer lost their jobs, raising a second question: If employment assistance increased job taking, would these new job takers be able to hold onto their jobs?

SSP's designers anticipated these questions. In an attempt to answer them, they offered both the earnings supplement *and* a range of pre- and post-employment services to a small group of New Brunswick IA recipients. Program intake occurred between November 1994 and March 1995. The combined offer was called "SSP Plus." This report describes SSP Plus employment services and estimates the extent to which these added services increased recipients' response to the supplement offer during the first year and a half after people entered the program.

To estimate the extent to which job-search and other services increased the willingness and ability of program participants to take up the supplement offer, a random assignment study design was used. Three research groups participated in the study. One group received the SSP supplement offer and SSP Plus services (the SSP Plus program group). A second group received only the supplement offer (the regular SSP program group). Finally, a third group received neither the supplement offer nor the SSP Plus services (the control group). To make sure that subsequent differences in employment, earnings, and IA receipt among the groups would reflect the effects of the SSP offer and SSP Plus services, individuals recruited for participation in the study were assigned to these program and control groups at random — that is, without regard to their preferences or personal characteristics.

To determine the effects (or, in the language of evaluations, "impacts") of the financial incentives and services offered by SSP Plus, the performances of members of these three groups were compared.[7] A first comparison was between the SSP Plus program group and the control group; the difference between how these two groups fared is the estimated impact of both the supplement offer and the employment services. A second comparison was between the regular SSP program group and the control group; the difference between the performance of these two groups is the estimated impact of the supplement offer only. A third comparison, and the one of primary interest in this study, was between the SSP Plus program group and the regular SSP program group. The difference in outcomes between these two groups is the estimated *incremental* impact of the job-search and other services — that is, the impact of *adding* the services to a program that already provides a generous earnings supplement.

THE FINDINGS IN BRIEF

The job-search and other services offered in SSP Plus consisted of an employment plan, a resume service, job clubs and other workshops, job coaching, and job leads. These services were successfully put in place, and SSP Plus program group members received significantly more services than regular SSP program and control group members received from the IA system and the general community.

The successful implementation of job-search and other services in SSP Plus led to a significant increase in the percentage of program group members who found full-time

[7] The criterion of *statistical significance* is used to restrict attention to estimated impacts that are larger than would typically result from the "luck of the draw" of random assignment for a program that has no real effect. In this report, estimated impacts that are *statistically significant* at the 10 percent level are considered *statistically significant*. This means that there is less than a 10 percent chance that an estimated impact of that size would have been observed if the program had no real effect. Tables differentiate between estimates that are *statistically significant* at the 10, 5, and 1 percent levels.

employment and took advantage of the supplement offer. During the first 18 months after program group members were first offered the supplement and a range of employment services, SSP Plus successfully increased work and family income and reduced welfare dependence. The incremental impact of the SSP Plus services, however, above and beyond the impact of the supplement alone, was modest, primarily because the services provided by SSP Plus seem to have created only temporary full-time employment. Two unanswered questions that will be addressed in future reports are whether SSP Plus sample members who lost the jobs that qualified them for the supplement will be able to regain full-time employment before the three-year supplement ends, and whether program group members who took advantage of the supplement will continue working after the supplement ends.

The major findings of this report may be summarized as follows:

- **A range of pre- and post-employment services was successfully implemented**. Almost all (more than 90 percent) of SSP Plus program group members completed an employment plan. More than two-thirds used the résumé service, and more than two-thirds received job coaching. Job leads were provided to over three-fifths of program group members. Only one-quarter of program group members attended a job club.

- **SSP Plus program group members received more job-search and other services than did regular SSP program group members**. About half of SSP Plus program group members (48 percent) participated in organized job-search activities, compared with fewer than one-third of regular SSP program group members (32 percent). The 16 percentage-point difference was statistically significant (that is, it was very likely a result of the program rather than of chance).

- **The additional services in SSP Plus led to an increase in the percentage of persons who took advantage of the supplement offer**. Over one-half of the SSP Plus program group (52 percent) took advantage of the supplement offer, compared with just over one-third of the regular SSP program group (35 percent). The 17 percentage-point difference was statistically significant.

- **The additional services in SSP Plus led to a small increase in full-time employment and a decrease in receipt of Income Assistance**. In the fifth quarter of the follow-up period, the full-time employment rate of SSP Plus program group members was 33.0 percent, compared with 30.6 percent for regular SSP program group members. The receipt of Income Assistance was 60.7 percent among SSP Plus program group members, compared with 64.6 percent among regular SSP program group members. Neither difference was statistically significant.

- **Despite small impacts on full-time employment and Income Assistance, the additional services in SSP Plus led to a modest increase in after-tax family income**. In quarters 5 and 6, after-tax family income among SSP Plus program group members (consisting of earnings of all family members, public transfer payments, and private transfer payments) averaged $1,327 per month, compared with $1,218 among regular

SSP program group members.[7] The $109 monthly difference was statistically significant.

Both the SSP Plus and regular SSP programs produced large increases in employment, earnings, and income, and large decreases in receipt of Income Assistance relative to control group members, who were not eligible for SSP's incentives. SSP Plus effects were modestly larger than those of the regular SSP program. In the fifth quarter of the follow-up period, for example, 33.0 percent of the SSP Plus program group and 30.6 percent of the regular SSP program group were employed full time, compared with only 15.6 percent of the control group. Receipt of Income Assistance for the three groups was 60.7 percent, 64.6 percent, and 81.1 percent, respectively.

FEATURES OF THE SSP PLUS PROGRAM

The SSP Plus program had two components — a *financial incentive* to encourage people to leave welfare for work and an offer of *services* to help people find and keep jobs.

The Financial Incentive Component

SSP's financial incentive took the form of a generous supplement to earnings and gave a monthly cash payment to people who left Income Assistance and worked full time (30 or more hours per week). For many persons, particularly those working at minimum-wage jobs, the supplement would more than double income. For example, when SSP Plus began in 1994, the amount of the supplement was one-half of the difference between a "target" earnings level of $30,600 per year and a program participant's actual earnings. (The target earnings level has been increased slightly since then to reflect changes in the cost of living.) A person working 35 hours per week for 50 weeks and earning a wage of $6.00 per hour would have received an annual supplement of $10,050, which together with the person's annual earnings of $10,500 would add up to a total gross income of $20,550. The SSP supplement decreased with individual earnings but did not penalize single parents who received child support or married or found a partner with earnings. Larger families benefited relatively less than smaller ones, however, because, unlike IA payments, benefits from SSP did not increase with family size.

All members of the program groups were given one year to find a job that would enable them to leave Income Assistance and receive the earnings supplement. Their one-year clocks began to tick as soon as they were informed, by mail, of their eligibility for the program. Those who did not find a job within this one-year time frame lost the opportunity to participate in the supplement program, even if they later found work.

Program participants who found full-time jobs and initiated supplement payments within the one-year time frame were then eligible to collect the earnings supplement for up to three years for months in which they worked full-time. The three-year time limit eliminated the possibility of long-term dependence on SSP, and it encouraged participants to derive

[7] In fact, results are monthly averages in the six months before the 18-month interview, a period that overlaps with quarters 5 and 6 but which varies in its timing relative to random assignment. For 3.8 percent of the sample, the six-month period is exactly quarters 5 and 6. For the majority of the sample (89.6 percent), the six-month period is months 12–17 (quarters 5 and 6 consist of months 13–18).

maximum benefit from the program by maintaining steady employment. It was hoped that participants would have the opportunity (through growth in wages or work hours) to increase their earnings enough over the three-year period to remain self-sufficient when supplement payments ended.

The Services Component

SSP Plus employment services were designed to build a bridge between long-term IA recipients and the world of work. IA recipients who were eligible to receive the supplement (those in the SSP Plus program group) were offered a range of services: an employment plan, a résumé service, job clubs and other workshops, job coaching, and job leads. The accompanying box describes the services in greater detail.

Services Available to SSP Plus Program Group Members

Employment Plan. A blueprint for self-sufficiency was drawn up for each group member. It included information on employment barriers, goals, and anticipated use of SSP Plus services.

Résumé Service. SSP Plus program staff were available to draft, type, format, proofread, and print résumés.

Job Club. Enrolment in job clubs, led by SSP Plus job coaches, was encouraged. Emphasis was on early contact with employers, consistent follow-up, and the importance of maintaining a positive attitude.

Job Coaching. Program group members formed one-on-one relationships with SSP Plus program staff, who offered practical advice and emotional support.

Job Leads. SSP Plus program staff collected and distributed news of job openings.

Self-esteem workshop. Program group members participated in exercises designed to build self-esteem.

Other Workshops. Workshops targeted program group members confronting job loss or looking for higher-paying positions.

SSP Plus program staff collaborated with program participants on individual employment plans, outlined the steps participants could take to find appropriate, supplement-eligible jobs, and followed up to see if progress had been made. They helped participants create effective résumés and cover letters, and taught them how to make credible cold calls. They counselled them before job interviews and "debriefed" them afterwards. They organized and ran job-search clubs and other workshops and offered one-on-one tutorials in job-search methods. They chased down job leads and brought these to the attention of qualified group members. And, perhaps most important, they remained available at all times to those who needed encouragement, advice, or a helping hand.

Throughout, they encouraged program participants to think of themselves as competent individuals with marketable skills, and they interspersed motivational counsel with practical job-search advice. Program participants were never under any obligation to use SSP Plus

services. They could pick and choose from the range of SSP Plus services offered, availing themselves of some services but not others. Indeed, they were encouraged to create customized packages of services for themselves, adjusting their service usage according to changing needs and preferences.

SSP Plus services were available to program participants both before and after they took advantage of the supplement offer. After taking up the supplement offer, program participants who lost jobs or sought better opportunities were free to avail themselves of any SSP Plus service that interested them, even if they had not taken advantage of SSP Plus services before. SSP Plus staff were there to update employment plans and résumés, procure and distribute leads to better-paying jobs, and help supplement takers negotiate the move from one job to another.

Program participants who remained in the jobs that qualified them initially for the supplement also continued to receive services from SSP Plus program staff. SSP Plus staff maintained regular contact with currently employed participants, offering suggestions on how to handle conflicts with supervisors and co-workers, negotiate pay raises and promotions, and balance family demands with those of the workplace.

In sum, SSP Plus employment services were varied, easily adapted to participants' needs, and designed to provide program group members with support both before and after they took advantage of the supplement offer.

THE RESEARCH DESIGN — RANDOM ASSIGNMENT

The primary goal of the evaluation of SSP Plus was to understand the *difference* that the SSP Plus financial incentive and services made in the employment, earnings, income, and welfare receipt of eligible single parents, above and beyond the effects of the financial incentive alone. A secondary goal was to understand the difference that the complete package of the SSP Plus financial incentive and services made above and beyond the incentive and services available to families who were not eligible for SSP.

To answer these principal research questions, SSP Plus assigned parents to three research groups (see the box on the following page). One group received SSP's supplement offer and job-search and other services. A second group received only the supplement offer, while a third group received neither the supplement offer nor SSP Plus services. To determine the effects of the policies of SSP Plus, the performance of members of these three groups was compared. Three comparisons are possible. One is between the SSP Plus program group and the control group, which gives the estimated combined impact of the supplement offer and the job-search and other services. A second is between the regular SSP program group and the control group, which gives the estimated impact of the supplement offer only. A third, and the one of primary interest in this study, is between the SSP Plus program group and the regular SSP program group. It gives the estimated *incremental* impact of SSP Plus services — that is, the impact of *adding* services to a program that already provides a generous earnings supplement.

The Three Research Groups in SSP Plus

1. **SSP Plus Program Group**. Members of this group received SSP's supplement offer and job-search and other services.
2. **Regular SSP Program Group**. Members of this group received only the supplement offer.
3. **Control Group**. Members of this group received neither the supplement offer nor SSP Plus services.

To make sure that differences among the groups would reflect the effects of SSP's policies, research subjects recruited for participation in the study were assigned to program and control groups *at random*, that is, without regard to their preferences or personal characteristics. The random assignment of SSP Plus study participants to program and control groups took place between November 1994 and March 1995. To be eligible for the study, an IA recipient had to be a single parent at least 19 years old who had received welfare in the current month and in at least 11 of the prior 12 months. Each month, Statistics Canada identified all IA recipients residing in an area covering approximately the lower third of New Brunswick who met these criteria, and randomly selected a group from this pool. All those persons randomly selected were scheduled for "baseline" (initial) interviews. They were informed, by mail, that they would be visited by an interviewer from Statistics Canada. Very few of these sample members could not be located because of changes in address or phone number. (Interviewers tried for up to three months to locate those who were hard to find.)

After the baseline interview, study participants were randomly assigned to one of the three research groups. Of those IA recipients who were randomly selected and agreed to be part of the study, 293 were offered the earnings supplement *plus* job-search and related services (the SSP Plus program group). The 296 members of a second group were offered the supplement but no services (the regular SSP program group). An additional 303 people were recruited for the SSP Plus study but were offered neither the supplement nor the services (the control group). Final lists of program group members were forwarded to staff in SSP program offices. Staff sent members of the program groups a letter announcing their program group status and their assignment to either regular SSP or SSP Plus. Control group members received a letter explaining their *in*eligibility for SSP or SSP Plus.

This report uses data from a variety of sources: the baseline survey administered just prior to random assignment, a follow-up survey administered approximately 18 months after random assignment, IA records, SSP program office records, field research data on the operation of SSP and other provincial IA programs, and focus group records.

CHARACTERISTICS OF THE RESEARCH SAMPLE

Of the 892 persons randomly assigned to one of the two program groups or the control group, only 30 (about three percent) did not respond to the 18-month follow-up survey. The remaining 862 constitute the research sample analyzed in this report.

The research sample at the time of the baseline survey consisted of single parents, most of them (96 percent) women. These parents were, on average, 31 years old, and all had a history of receipt of Income Assistance. In the three years prior to random assignment, 35 percent had been on Income Assistance for at least two years, while 44 percent had been on Income Assistance for all three years. They had relatively little formal education and came from families with poorly educated parents. More than half had not finished high school. About 70 percent lived in urban areas, and one-quarter were French-speaking. Fewer than three percent were not born in Canada, and only six percent reported First Nations ancestry.

Almost all sample members had worked for pay at some time in the past; on average they had seven years of paid employment. At the time they entered the study, however, more than half were neither working nor looking for work, and fewer than one-quarter were actually working. Of those working, nearly two-thirds were working fewer than the 30 hours required to qualify for the SSP supplement.

Sample members faced what appeared to be considerable barriers to full-time employment. One-quarter reported that they had an activity-limiting physical condition, one-half had a child under the age of five in the household, and 80 percent reported that they would need child care if they found a job.

UTILIZATION OF SSP PLUS SERVICES

SSP Plus program staff offered the 293 members of the SSP Plus program group a variety of job-search, job-retention, and job-advancement services, and they convinced the vast majority of the group to take advantage of one or more of these services. Some of the services were used extensively, others less so.

Table ES.1 summarizes the utilization patterns of SSP Plus program group members. The following patterns were observed:

- **94 percent of the SSP Plus program group completed an employment plan**. Thus, SSP Plus helped recipients complete this first step toward employment.
- **More than two-thirds of the SSP Plus program group used the SSP Plus résumé service**. This service was used somewhat less than assistance with completing an employment plan but nonetheless was used by a considerable percentage of program group members.
- **Only one-quarter of the SSP Plus program group attended an SSP Plus job club**. Among those who attended a job club, approximately two-thirds took advantage of the supplement offer (not shown in the table). In contrast, 46 percent of those who did not attend a job club took advantage of the supplement offer, but of course many of these persons were able to find jobs on their own and did not need job club services.

- **Almost three-quarters of SSP Plus program members received job coaching at least once**. This service was used both before and after participants found full-time employment; however, it was used more frequently after employment was found.

Table ES-1: Participation in SSP Plus Activities by Members of the SSP Plus Program Group

Activity	Percentage	Number
Completed employment plan	94.2	276
Used resume service	68.6	201
Attended job club	25.3	74
Received job coaching	71.3	209
In person	31.7	93
By phone	63.8	187
Received job leads	61.4	180
In person	10.6	31
By phone	57.3	168
By mail	22.5	66
Sample size (total = 293)		

Source: Calculations from SSP's Program Management Information System (PMIS).

Notes: Table includes all members of the SSP Plus program group.

Categories are not mutually exclusive; distributions do not add up to 100 percent.

SERVICE USE BY REGULAR SSP AND CONTROL GROUP MEMBERS

In order for the SSP Plus program services to have a significant impact on behaviour, either their use by SSP Plus program group members had to exceed the use of services by regular SSP and control group members or they had to be of higher quality. Regular SSP program group members had access to a small resource library that provided information on agencies that offered job-search and other services. SSP staff were also available to answer regular SSP program group members' queries about outside services. In addition, both SSP Plus and regular SSP program group members were potentially eligible for several service programs that were also available to control group members, including NB Works (a work experience program that allowed participants to draw Employment Insurance while enrolled in education or training), FOCUS (an employment program for IA recipients), and the Canada Employment Centre[1] (which made a job bank, employment counselling, and job-search assistance available to all interested Canadians).

Table ES-2 shows receipt of services by SSP Plus and regular SSP program group members and the differences in service receipt (or *incremental* impacts) between the two groups. (Control group members had slightly lower service receipt than regular SSP program group members and are not shown in the table.) The impacts presented in this table are based on responses to questions in the 18-month follow-up survey and cover a wide range of services that are available to SSP Plus and regular SSP program group members. Some of the services provided in SSP Plus, such as job coaching and the résumé service, are not explicitly represented in the table (there were no survey questions about them). For the most part, the

[1] Since the end of 1995, local HRDC offices have been re-designated as Human Resources Centres of Canada (HRCC's). However, this report uses the designation Canada Employment Centres (CEC's), which was in effect when participants were being enrolled in SSP.

types of services provided in SSP Plus are represented in the first row of Table ES-2. The remaining rows refer to services SSP Plus or regular SSP program group members may have received elsewhere. The reason for examining incremental impacts on use of these other services is to determine if SSP Plus caused SSP Plus program group members either to seek other services or to substitute SSP Plus services for these other services.

Table ES-2: SSP Plus Impacts on Service Receipt and Educational Pursuits in the 18 months Following Random Assignment

Outcome	Percentage Using Service		SSP Plus Program Group vs. Regular SSP Program Group
	SSP Plus Program Group	Regular SSP Program Group	Difference in Use of Services
Took part in job-search program such as job club or job-search workshop	47.9	31.9	16.0 ***
Took part in life-skills program such as money management or parenting	27.6	28.8	-1.2
Received counselling for personal problems	26.6	29.5	-2.9
Participated in work-related training or education[1]	16.4	16.7	-0.2
Participated in NB Works	8.0	9.4	-1.3
Took courses toward completion of high school diploma, college diploma, or university degree[2]	7.3	6.6	0.7
Sample size (total = 574)	286	288	

Source: Calculations from 18-month follow-up survey data.

Notes: A two-tailed t-test was applied to impact estimates. Statistical significance levels are indicated as: * = 10 percent, ** = 5 percent, *** = 1 percent.

Rounding may cause slight discrepancies in sums and differences.

[1] The question asked at the 18-month interview was: "Have you taken any work-related training or education, including correspondence courses, on-the-job training, apprenticeship training, or other courses?"

[2] The question asked at the 18-month interview was: "Since your last interview, have you taken any other courses that are not directly work-related, such as courses toward the completion of a high school diploma, college diploma, or university degree?"

There were significant differences in the rate at which SSP Plus program group members participated in job-search programs, relative to regular SSP program group members. Whereas almost half (48 percent) of the SSP Plus program group members participated in organized job-search activities, fewer than one-third (32 percent) of the regular SSP program group did so. The 16 percentage-point difference between the SSP Plus program group and the regular SSP program group is statistically significant and suggests that any differences in program group members' earnings, employment, IA receipt, and family income can be attributed to receipt of these types of services. There were no significant differences between the two groups in receipt of other types of services, suggesting that substitution did not occur, so it appears that SSP Plus program group members actually received more services than regular SSP program group members.

SUPPLEMENT TAKE-UP

Over one-half (52 percent) of the SSP Plus program group took advantage of the supplement offer — that is, before the end of the one-year eligibility period after random assignment, these program group members found a full-time job, left Income Assistance, and received a supplement payment. This figure was 17 percentage points higher than the 35 percent take-up rate among regular SSP program group members. The substantial increase in supplement take-up was quite similar across a wide range of subgroups. In short, the addition of job-search and related assistance significantly increased the share of single-parent IA recipients who took advantage of the SSP offer.

In most months, however, the percentage of SSP Plus sample members who received the supplement was only modestly greater than the percentage of regular SSP sample members receiving the supplement. The difference was largest in the fifteenth month of the follow-up period, when 33 percent of the SSP Plus program group members were receiving the supplement, compared with 24 percent of the regular SSP program group members. The difference was statistically significant in only 4 of the 18 months between the time of random assignment and the 18-month survey. Additionally, SSP Plus had no measurable impact on the percentage of SSP program group members who maintained continuous receipt of the supplement. In short, the additional persons who took advantage of the supplement offer had difficulty maintaining full-time employment, and it appears that the job-retention assistance provided by SSP Plus staff did not help persons who initially took advantage of the supplement offer to retain supplement receipt.

In general, the types of jobs acquired by SSP Plus program group members and regular SSP program group members were similar. Most members of both groups usually met the requirement of 30 hours of work with one job, and the two groups had similarly low hourly wages. In comparison with regular SSP program group members who took advantage of the supplement offer, however, a substantially lower percentage of SSP Plus program group supplement recipients were working for their initial employer when they completed the 18-month follow-up survey.

Among those who did not take advantage of the supplement offer, the reasons were strikingly similar for SSP Plus and regular SSP program group members. The most common reason given (cited by about 40 percent of those not taking advantage of the supplement offer) was difficulties in finding work. Other reasons given were health problems or disabilities, and personal or family responsibilities.

IMPACTS ON EMPLOYMENT, INCOME ASSISTANCE RECEIPT, AND FAMILY INCOME

The higher rate of supplement take-up among SSP Plus program group members compared with regular SSP program group members raises two questions. First, did the higher rate of supplement take-up in SSP Plus lead to higher impacts? In other words, did the provision of employment services in addition to financial incentives induce more people to find full-time employment and leave Income Assistance than the provision of financial incentives alone? Second, if more people were induced to find full-time employment, were they able to hold these jobs throughout the 18-month follow-up period?

Table ES-3 shows the incremental impacts of the SSP Plus program relative to the regular SSP program. The incremental impacts are measured by the differences in outcomes between the SSP Plus program group and the regular SSP program group, adjusted for minor discrepancies in baseline characteristics between the two groups. Control group outcomes are also presented in the table to enable calculation of the full impact of the regular SSP and SSP Plus programs (which would be shown by the differences in outcomes between each of the respective program groups and the control group).

Table ES-3: Adjusted SSP Plus Impacts on Employment and IA Receipt Following Random Assignment

	Average Outcome Levels			SSP Plus Program Group vs. Regular SSP Program Group
Outcome	SSP Plus Program Group	Regular SSP Program Group	Control Group	Difference
Full-time employment rate (%)				
Quarter 3	28.8	23.3	11.4	5.4 *
Quarter 5	33.0	30.6	15.6	2.4
Part-time employment rate (%)				
Quarter 3	13.2	13.3	17.2	0.0
Quarter 5	14.4	11.9	15.6	2.5
Overall employment rate (%)				
Quarter 3	42.0	36.6	28.6	5.4 *
Quarter 5	47.4	42.5	31.1	4.9
Average earnings ($/month)				
Quarter 3	309	245	169	64 **
Quarter 5	341	304	221	37
Receiving Income Assistance (%)				
Quarter 3	75.7	77.0	87.6	-1.3
Quarter 5	60.7	64.6	81.1	-3.9
Receiving either Income Assistance or SSP (%)				
Quarter 3	91.2	91.1	87.2	0.0
Quarter 5	85.4	88.0	81.1	-2.6
Average income from Income Assistance and SSP ($/month)				
Quarter 3	727	697	614	30
Quarter 5	676	672	597	4
Average net family income ($/month)[a]				
Quarters 5-6	1,327	1,218	1,171	109 *
Sample size (total = 862)	286	288	288	

Sources: Calculations from Quarterly Monitoring System data, Income Assistance administrative records, and payment records from SSP's Payment Management Information System (PMIS).

Notes: [illegible]

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The incremental impacts may be summarized as follows:

- **SSP Plus produced a small *incremental* impact on full-time employment**. In the third quarter of the follow-up period, 28.8 percent of SSP Plus program group members were employed full time, compared with 23.3 percent of regular SSP program group members. The 5.4 percentage-point difference (or incremental impact), resulting from the job-search and other services provided by SSP Plus, was barely statistically significant (that is, very close to being attributable to chance alone). By the fifth quarter of the follow-up period, the incremental impact had fallen to 2.4 percentage points and was no longer statistically significant. It appears that the decline in the incremental impact on full-time employment was due to shorter spells of full-time employment for SSP Plus program group members relative to regular SSP program group members.

- **SSP Plus led to a small *incremental* reduction in the receipt of Income Assistance**. In the fifth quarter of the follow-up period, 60.7 percent of SSP Plus program group members were receiving IA receipt, compared with 64.6 percent of regular SSP program group members. The 3.9 percentage point lower rate of IA receipt among SSP Plus program group members was not statistically significant and was slightly larger than the incremental reduction in the third quarter of the follow-up period.

- **SSP Plus did not lead to any additional cash transfer payments (Income Assistance plus SSP)**. In the fifth quarter of the follow-up period, SSP Plus program group members received an average of $676 per month in Income Assistance and SSP payments, which was virtually identical to the cash transfers of $672 received by regular SSP program group members. Thus, the additional supplement payments resulting from the SSP Plus job-search and other services did not appear to be given to persons who would not have found jobs and left Income Assistance in the absence of the services. Put another way, all of the additional employment produced by SSP Plus appears to have been for persons who would have remained on Income Assistance in the absence of the services. This means that the increase in SSP Plus supplement payments offset IA payments for these persons on a dollar-for-dollar basis.

- **SSP Plus produced a statistically significant *incremental* impact on after-tax family income**. In the last six months of the 18-month follow-up period, SSP Plus program group members received an average monthly after-tax income of $1,327, compared with an average monthly after-tax income of $1,218 for regular SSP program group members. The $109 difference ($1,327 minus $1,218) was the accumulated total of modest increases in several components of family income, including earnings of the parent, the SSP supplement, unemployment insurance[1] benefits, and earnings of other family members, which more than offset decreases in family income resulting from reduced IA payments and increased taxes.

[1] With the implementation of the *Employment Insurance Act* in the 1996 Budget, Unemployment Insurance was renamed Employment Insurance.

- **Both SSP Plus and the regular SSP program produced large increases in employment, earnings, and income, and large decreases in receipt of Income Assistance, relative to control group members (who were not eligible for the SSP incentive or SSP Plus services).** The overall effects of SSP Plus were modestly larger than those of the regular SSP program. In the fifth quarter of the follow-up period, for example, 33.0 percent of the SSP Plus program group and 30.6 percent of the regular SSP program group were employed full time, compared with only 15.6 percent of the control group. Receipt of Income Assistance for the three groups was 60.7 percent, 64.6 percent, and 81.1 percent, respectively.

POLICY IMPLICATIONS

The evidence presented in this report and in a previous (1998) report supports the notion that a carefully targeted financial incentive program like SSP can raise work effort and improve the living standards of welfare recipients. Many policy analysts have argued that financial incentive programs can be made more effective by combining financial incentives with a variety of employment services, such as job-search assistance. The SSP Plus experiment incorporated formal mechanisms to test this conjecture.

The findings in this report indicate that adding job-search and other services to a financial incentive program generates a modest increase in the number of people joining the labour force and an increase in family income. Thus, adding services appears to have succeeded in "digging deeper" into the IA caseload by getting a greater number of people to overcome a variety of employment barriers, such as fear of the labour market. Most of the additional people who found jobs as a result of the services had difficulty holding these jobs, however, and the post-employment services provided by SSP Plus staff were apparently not enough to help them overcome this problem.

The results presented in this report cover the first 18 months of the program. It is possible that, as longer follow-up data become available, many of these people will be found to have regained employment, and the additional impacts of the services will increase. Future reports will address these issues. Nonetheless, the inability to maintain full-time employment in the short run poses a challenge for policymakers — how to find ways of increasing employment retention among a group of welfare recipients who seem willing to seek employment so that they may become independent of welfare and achieve economic self-sufficiency.

Chapter 1:
The SSP Plus Study

INTRODUCTION

Income Assistance (IA)[1] is a complex issue, and it provokes a variety of responses in recipients, policymakers, and others. Those in need of assistance are grateful for the support it provides, but often they feel stigmatized by their reliance on welfare and aspire to a higher standard of living. Taxpayers and legislators recognize Income Assistance as a necessary part of the social safety net, but they are troubled by the possibility that the system encourages dependence and discourages work effort.

To encourage welfare recipients to rely more on earnings than on welfare, and to learn whether financial incentives could encourage welfare recipients to begin working, in 1992 Human Resources Development Canada launched the Self-Sufficiency Project (SSP), a unique research and demonstration effort involving long-term, single-parent welfare recipients in New Brunswick and British Columbia. The Self-Sufficiency Project offered recipients who left Income Assistance and worked at least 30 hours per week a generous but time-limited earnings supplement. To understand whether assistance in finding and keeping employment would help participants qualify for the supplement, a small additional group was also offered job-search and related services. This combination of financial incentives and services is known as SSP Plus.

To measure the effects of the financial incentive, the Self-Sufficiency Project includes several social experiments that use a rigorous, random-assignment research design. In the main experiment, a group of about 6,000 single parents in British Columbia and New Brunswick who had been on Income Assistance for at least a year were selected from the IA rolls. One-half of these sample members were randomly assigned to a regular SSP program group and were offered a financial incentive if they left Income Assistance for full-time work. The remainder formed a control group. The effects that the supplement offer had on recipients' employment and earnings were recently documented in Lin et al., 1998. Comparisons of the two groups show that by the beginning of the second year after the supplement was offered SSP doubled the rate of full-time employment, while lowering the fraction on Income Assistance by 13 percentage points. Relative to the control group, those eligible for SSP averaged higher earnings, lower IA payments, higher total cash assistance (including both Income Assistance and their earnings supplement payments), and higher family incomes.

Although SSP's financial incentives increased income and reduced poverty for many, only about one-third of the program group took up the offered supplement. Some decided against full-time work because health problems precluded their working or because they

[1] Income Assistance, also known as "Social Assistance" or welfare, is a cash assistance program operated by individual provinces and partly funded through the federal government's Canada Health and Social Transfer.

preferred to remain at home with their children or to attend school. But others simply failed to find the full-time jobs that would have made it possible for them to participate. If these recipients had been offered job-search and other assistance, would more of them have used the earnings supplement?

SSP's designers anticipated this question, and, in an attempt to answer it, they offered both the earnings supplement and extensive job-search and other assistance to a small group of New Brunswick residents. The combined offer was called SSP Plus. To understand whether services would increase the ability of parents to take advantage of the supplement offer, SSP Plus also used a rigorous random assignment research protocol. During several months near the end of the intake period for the main experiment, recipients in New Brunswick were randomly assigned to three groups — the control group, the regular SSP program group, and a third group that was offered both the financial incentive and an array of services designed to help them find and keep jobs. This third group is referred to as the SSP Plus group.

The current report describes SSP Plus job-search and related services and estimates the extent to which they increased recipients' response to the supplement offer. The report also investigates how much SSP Plus increased employment, earnings, and family income, while reducing hardship. The study finds that SSP Plus offered services that were both more extensive and more intensive than those sought out by members of the control group and the regular SSP program group. As a result, more than half of the SSP Plus program group were able to take up the supplement offer by working full time in the first year after entering the evaluation. Despite this success, the added services appeared to result in only modest increases in employment, earnings, and income over time.

This report is one in a series. A full description of the implementation of the financial incentive policy and of the random assignment process is included in the 1995 report *Creating an Alternative to Welfare: First-Year Findings on the Implementation, Welfare Impacts, and Costs of the Self-Sufficiency Project*, by Tod Mijanovich and David Long. As has been noted, the short-term impacts of the financial incentive in New Brunswick and British Columbia are described by Lin et al. (1998). Two future reports will cover the effects of SSP's financial incentive and SSP Plus services over a longer follow-up period. One will use three years of information to study whether SSP's gains are sustained and whether they are extended to non-economic outcomes such as marriage and childbearing. The second will examine whether the program's effects are lasting by surveying participants after all have exhausted their eligibility for the program's earnings supplement.

The process of running and evaluating SSP has been a collaborative effort involving many partners. As has been noted, the project was conceived and funded by Human Resources Development Canada (HRDC). The program, along with its evaluation, is managed by the Social Research and Demonstration Corporation (SRDC), a non-profit

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A criticism of programs that offer financial incentives to welfare recipients is that they will encourage recipients to stay on welfare longer. SSP contains a third experiment designed to test this effect. In this third experiment, a group of single parents in the Vancouver area who had recently started receiving Income Assistance were randomly assigned to program and control groups. Members of the program group were told that if they remained on Income Assistance for 12 out of 13 months, they would gain access to the earnings supplement offered in the main experiment. A report by Berlin et al., 1998, found that this offer did not significantly increase the proportion of families receiving Income Assistance.

organization dedicated to the identification of policies and programs that benefit unemployed, economically displaced, or disadvantaged populations. Throughout the program's planning, implementation, and evaluation phases, SRDC has worked in partnership with the Manpower Demonstration Research Corporation (MDRC), a non-profit research organization based in the United States with many years' experience field-testing and evaluating promising education and employment-related programs. Partners in the SSP Plus demonstration and evaluation include Family Services Saint John Inc., which operates SSP Plus; SHL Systemhouse Inc., Nova Scotia, which maintains the program's automated management information and supplement payment systems; Human Resources Development–New Brunswick, which provides general information, technical assistance, and access to IA data; and Statistics Canada, which collects and processes survey and IA data.

THE SSP PLUS POLICY

Main Features of the Earnings Supplement

SSP Plus combines the financial incentive of the regular SSP program with an offer of services. The financial incentive is intended to encourage people to leave welfare for work, while the offer of services is intended to help people find and keep jobs. SSP's financial incentive is a supplement to earnings, in the form of a monthly cash payment to people who leave Income Assistance and work full time (30 or more hours per week).[3] The restriction to full-time work limits the extent to which people can receive the supplement without increasing or maintaining their work effort.[4] Since very few IA recipients work full time, the 30-hour requirement means that most program participants have to increase their work effort in order to qualify for the earnings supplement. It also means that most of those who qualify for the supplement experience a significant increase in income. Moreover, the 30-hour work requirement prepares program participants for eventual self-sufficiency; after the supplement ends, most participants will have to work at least 30 hours per week to remain independent of Income Assistance.

The research project was limited to single-parent welfare recipients who had been receiving assistance for at least one year. Single parents make up a large part of Canada's welfare caseload. In 1993, more than 70 percent of children from families receiving Income Assistance lived in single-parent families.[5] Restricting the program to long-term recipients reduced the likelihood that it would serve large numbers of people who could have left

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[3] Lin et al., 1998, provide further details on the implementation and impacts of the financial incentive. In brief, SSP's financial supplement pays parents who work 30 or more hours per week half of the difference between their actual earnings and a target level of earnings. In New Brunswick, the target earnings were set at $30,000 in 1992, although they have been adjusted slightly over time to reflect changes in the cost of living and in the amounts paid by Income Assistance. By November 1994, when sample members were being randomly assigned to the three research groups for the SSP Plus study, the target earnings were $30,600. For someone working 30 hours per week at the minimum wage, this supplement is enough to double her income. (While the research sample included a few men, it was preponderantly made up of single mothers. Feminine pronouns will therefore be used to refer to sample members.)

[4] Program group members could not qualify for the earnings supplement with on-the-job training positions that were 100 percent government subsidized. Positions that were partially subsidized by the federal government or by the province of New Brunswick were permitted.

[5] Human Resources Development Canada, 1994.

welfare *without* the help of the earnings supplement. It also reduced the likelihood that people would apply for welfare in the hope of eventually receiving the supplement.

The SSP supplement varies with individual earnings, rather than with family income, and is therefore unaffected by family composition, other family members' earnings, or non-labour income sources. Thus, the SSP supplement formula does not penalize single parents who receive child support, marry, or find a partner. Because benefits from SSP do not increase with family size, however, SSP is relatively less generous than Income Assistance for larger families. In addition, supplement payments remain unchanged if a participant marries after being recruited for the evaluation. Thus, SSP may discourage marriage less than Income Assistance does.

All program participants were given one year to find a job that would enable them to leave Income Assistance and receive the earnings supplement. Their one-year clocks began to tick as soon as they were informed, by mail, of their eligibility for the program. Participants who were unable to find a job within this one-year time frame became permanently ineligible for the earnings supplement, even if they later found work.

If a program participant found a full-time job and initiated supplement payments in the first year after entering the program, she could collect the earnings supplement for the next three years, for months in which she worked full time. Limiting supplement receipt to three years eliminates the possibility of long-term dependence on SSP and encourages participants to derive maximum benefit from the program by maintaining steady employment. It is hoped that participants will have the opportunity (through growth in wages or work hours) to increase their earnings enough over three years to remain self-sufficient when supplement payments end.

Main Features of the SSP Plus Services

SSP Plus job-search and other services were designed to build a bridge between long-term IA recipients and the world of work. Program participants who were interested in pursuing the supplement were offered a wide range of services: an employment plan, resume service, job clubs and other workshops, job coaching, and job leads. SSP Plus program staff helped participants set short- and long-term goals. They collaborated with each participant on an individual employment plan, outlined the steps participants could take to find an appropriate supplement-eligible job, and followed up to see if progress had been made. They helped participants create effective resumés and cover letters and taught them how to make credible cold calls. They counselled them before interviews and "debriefed" them afterwards. They organized and ran job-search clubs and other workshops and offered one-on-one tutorials in job-search methods. They chased down job leads and brought these to the attention of qualified job seekers. And, perhaps most important, they remained available at all times to those who needed encouragement, advice, or a helping hand. Throughout, they encouraged participants to think of themselves as competent people with marketable skills, and they interspersed motivational counsel with practical job-search advice.

Program participants were never under any obligation to use SSP Plus job-search or other services. Although program staff tried to complete an employment plan[1] for everyone,

[1] The SSP Plus employment plan is described in detail in Chapter 2.

participants could refuse all services and still take up the earnings supplement if and when they found full-time employment. They were also free to use job-search and other services provided by other community organizations. SSP Plus program staff did not hesitate to refer participants with needs they could not meet to outside services.

Also, those who used the SSP Plus services could pick and choose from the range of services offered. They were encouraged to create customized packages of services for themselves and adjust them according to changing needs and preferences. Those who benefited from peer support could attend job clubs and group workshops; those too timid to participate in group events could rely on one-on-one sessions with staff. Those who had looked for work before and were comfortable with all aspects of the process could drop by the SSP office to fine-tune their résumés or pick up job leads. Those frightened by the prospect of meeting employers could visit as often as they wished, to rehearse interview material with staff and receive the encouragement they needed.

SSP Plus services were available to program participants both before and after supplement take-up. Those who lost jobs or sought better opportunities were free to avail themselves, after take-up, of any SSP Plus service that interested them, even if they had not taken advantage of SSP Plus services before. Program staff were there to update employment plans and résumés, procure and distribute leads to better-paying jobs, and help supplement takers negotiate the move from one job to another.

SSP Plus program participants who remained in the jobs with which they had first taken up the supplement also continued to receive services from SSP Plus program staff. Staff members maintained regular contact with those currently employed, offering suggestions on how to handle conflicts with supervisors and co-workers, negotiate pay raises and promotions, and balance family demands with those of the workplace.

The ease with which SSP Plus services could be modified or rearranged to suit particular participants reflected both the wide range of services included in the SSP Plus package and the flexible styles of SSP Plus program staff, who were trained to respect the individual's assessment of her own needs when they suggested appropriate services.

In sum, SSP Plus job-search services were varied, easily adapted to program participants' needs, and designed to provide support both before and after supplement take-up. Additional information on the design and content of SSP Plus services is provided in Chapter 2.

THE SSP PLUS RESEARCH DESIGN

Random Assignment

The goal of the evaluation of SSP Plus is to understand the *difference* that the combination of the SSP financial incentive and the SSP Plus services made in the employment, earnings, income, and welfare receipt of eligible single parents, above and beyond the effects of the financial incentive alone and above and beyond the incentives and services available to families who were not eligible for SSP. To explore these effects, SSP Plus set up three research groups. One group received SSP's supplement offer and SSP Plus services. A second group received only the supplement offer, while a third group received neither the supplement offer nor SSP Plus services. The effects of the policies of SSP Plus

were determined by comparing the performance of members of these three groups. To make sure that differences between the groups reflected the effects of SSP's policies, persons recruited for participation in the study were assigned to program and control groups *at random* — that is, without regard to their preferences or personal characteristics.

The random assignment of SSP Plus study participants to program and control groups was part of a complex process of program intake.[1] SSP Plus program intake occurred between November 1994 and March 1995. To be eligible for the study, an IA recipient had to be a single parent at least 19 years old who had received welfare in the current month and in at least 11 of the prior 12 months. Each month, Statistics Canada identified all IA recipients residing in an area covering approximately the lower third of New Brunswick who met these criteria, and randomly selected a group from this pool. Every IA recipient randomly selected was scheduled for a baseline interview. Those scheduled for baseline interviews were informed, by mail, that they would be visited by an interviewer from Statistics Canada. A very few IA recipients could not be located because of changes in address or phone number. (Interviewers tried for up to three months to locate those who were hard to find.)

During their visits, Statistics Canada interviewers explained the purpose of the Self-Sufficiency Project and invited participation in the SSP Plus study. Interviewees were told that if they were randomly assigned to the SSP Plus or regular SSP program group, they would be offered the earnings supplement, which they would receive if they found full-time work within 12 months. They were also told that if they agreed to participate in the research and ended up assigned to the control group, they would not be eligible for the earnings supplement but would still be expected to co-operate when Statistics Canada returned to collect additional survey data, at regular 18-month intervals. Two percent of the IA recipients originally selected for the SSP Plus study were located but declined participation in the research.

Everyone who agreed to participate in the study was asked to sign a consent form permitting Statistics Canada to collect relevant administrative data (for example, IA records and Revenue Canada reports) for a period of eight years. Participants were assured that their privacy would be protected and that identifying information would never be available to anyone except for a few key personnel at Statistics Canada.

Study participants who completed a baseline survey and agreed to be part of the study were randomly assigned to one of three research groups. Of the 892 IA recipients who were randomly assigned, 293 were offered the earnings supplement *plus* job search and related services; they are members of the SSP Plus "program group." An additional 303 were recruited for the SSP Plus study but offered neither the supplement nor the services; they are members of the SSP Plus "control group." A third group of participants (N=296) were offered the supplement opportunity but no services; they are members of the regular SSP "program group."[2] Final lists of program group members were forwarded to staff in SSP

[1] Intake for SSP Plus was part of the intake for the larger main experiment, which took place from November 1992 to March 1995. For more detail on intake, see Mijanovich and Long, 1995.

[2] Participants randomly assigned to the control group and to the regular SSP program group during this five-month period did double duty. Their outcomes were also used to understand the effects of financial incentives in the larger main experiment of SSP. As a consequence, their results are also used in Lin et al., 1998. In fact, a total of 907 sample members completed a baseline survey and were randomly assigned during the five-month period from November 1994 to March 1995. Among these 907 sample members, it was later discovered (upon verifying the computer programs and data used to

(continued)

program offices. Staff sent members of the program groups a letter announcing their program group status and their eligibility for either regular SSP or SSP Plus. Control group members received a letter explaining their *in*eligibility for SSP or SSP Plus.

Using this three-group design, this report will focus on two questions. The first is to what extent did members of the SSP Plus program group outperform members of the control group? This comparison reveals the composite effect of the financial incentive and job-search and other services. A second question posed is whether members of the SSP Plus program group outperformed members of the regular SSP program subgroup, and, if so, to what extent? This comparison indicates how much the offer of services *adds to* the effects of the financial incentive alone. A basic comparison of regular SSP outcomes with control group outcomes is also presented, but only to provide a context within which to consider any gains produced by SSP Plus. An in-depth analysis of response to the regular SSP (that is, supplement only) offer can be found in Lin et al., 1998.[7] Finally, it is important to note that SSP Plus is not designed to yield information on the effects of services alone, when not accompanied by a supplement offer.

DATA SOURCES

Several kinds of data are used in the current report:

- **Baseline survey**. As has been noted, Statistics Canada administered a baseline survey to all persons selected for the SSP Plus study just prior to random assignment. The survey included questions about respondents' sex, age, race/ethnicity, and other demographic characteristics; household composition and family structure; child care needs; general quality of life; employment and earnings; and current income (sources and amounts). Attitudes toward work and welfare were also explored. Descriptions of the report sample are drawn from these data. Baseline data are also used in the "adjusted" impact analyses presented in Chapter 4.
- **18-month follow-up survey**. Approximately 18 months after random assignment, Statistics Canada administered a second survey to everyone selected for the study. The survey included questions similar to those on the baseline survey (that is, questions on household composition and family structure; child care needs; general quality of life; recent employment and earnings; and current income). Respondents in the SSP Plus and regular SSP program groups were also asked about their initial level of interest in the supplement offer and why they had, or had not, taken it up. This survey is the data source for many of the outcomes examined in this report.
- **IA records**. Human Resources Development–New Brunswick provided Statistics Canada with monthly data on Income Assistance. These data were used to identify the target population, draw the random sample, and track pre- and post-random assignment

select the sample) that six SSP Plus group members, four control group members, and five regular SSP program group members did not meet the criteria for inclusion in the study (for example, they had no children under age 19). These people were still given access to the program if they were in the SSP Plus or regular SSP program group, but it was decided to exclude all 15 of them from further data collection and analysis.

[7] The samples discussed in Lin et al., 1998, are much larger than those analyzed in the current report. Current estimates may therefore differ from those previously published.

receipt of IA benefits. They were also used to estimate impacts on IA receipt. In the current report, thirty-six months of data on welfare receipt *before* random assignment and eighteen months of data *after* random assignment are used. By signing the informed consent form, the sample member agreed to allow Statistics Canada to collect her records from the provincial IA ministry for up to eight years.

- **Program office records on program participation, employment, and supplement payments**. With the assistance of SHL Systemhouse Inc., a Program Management Information System (PMIS) was designed for the specific purpose of implementing and operating the Self-Sufficiency Project. The system supports the activities of SSP's program and payment offices. It also provides data on supplement initiation, supplement payments, and program participants' contact with SSP staff (for example, attendance at information sessions, phone conversations, visits to program offices).
- **Field research on the operation of SSP and provincial IA programs**. SRDC and MDRC staff visited Self-Sufficiency Project program offices during all phases of the earnings supplement program. They reviewed SSP Plus case files, interviewed SSP Plus staff, and observed all aspects of SSP Plus program activities. SRDC and MDRC also interviewed IA staff at Human Resources Development–New Brunswick.
- **Focus group data**. To gain a better understanding of why program group members responded to the SSP Plus offer the way they did, focus groups of supplement "takers" and "nontakers" were recruited in Saint John and Moncton.

REPORT SAMPLE

As has been described, the SSP Plus program group has 293 members, the regular SSP program subgroup 296, and the SSP Plus control group 303. A total of 892 IA recipients were therefore randomly assigned in New Brunswick between November 1994 and March 1995. Follow-up data were unavailable on 30 of these recipients. The remaining 862 constitute the "report sample" — the sample on which all analyses will be performed.

Table 1.1 presents descriptive statistics on the SSP Plus report sample. Most of the data in the table were collected shortly after random selection from the baseline survey described in the previous section. Other information is derived from IA records.

In some ways, the table indicates that the long-term, single-parent IA population is homogeneous. Nearly all are women. Neither the respondents nor their parents had a great deal of education; more than 9 out of 10 participants had no more than a high school education, and more than two out of three of their parents had not completed high school. Despite their history of welfare receipt, more than 9 out of 10 had worked at some time in their lives.

Table 1.1: Characteristics of Report Sample Members at Random Assignment

Characteristic	Overall	SSP Plus Group	Regular SSP Group	Control Group
Gender (%)				
Female	96.4	97.2	96.9	95.1
Age (%)				
19-24	25.7	28.3	26.1	22.6
25-29	20.6	23.1	17.4	21.2
30-39	36.6	37.1	36.9	35.8
40-49	14.8	8.7	16.0	19.4
50 or older	2.4	2.8	3.5	1.0
Marital status (%)				
Married or living common-law	2.1	1.4	2.4	2.4
Never married	55.7	57.0	54.5	55.6
Divorced, separated, or widowed	42.2	41.6	43.1	42.0
Education				
Completed education (%)				
Less than high school education	52.3	50.0	55.2	51.7
Completed high school, no post-secondary education	38.2	40.2	36.8	37.5
Some post-secondary education	9.5	9.8	8.0	10.8
Enrolled in school at random assignment (%)	11.6	16.1	9.7	9.0
Family background				
Mother did not finish high school (%)	71.1	69.9	72.5	70.8
Father did not finish high school (%)	67.0	64.7	70.1	66.1
One or both parents absent when growing up (%)	36.1	31.5	41.3	35.4
Family received welfare when growing up (%)	30.7	26.9	34.8	30.4
Recent welfare history				
Number of months on IA in prior 3 years (%)				
10-23	20.6	21.3	19.4	21.2
24-35	35.0	36.4	35.8	33.0
All 36	44.3	42.3	44.8	45.8
Average IA payment in prior month ($)	710	725	707	698
Work history and labour force status				
Ever had a paid job (%)	92.8	92.0	95.1	91.3
Average years worked	6.8	6.5	6.9	7.0
Labour force status at random assignment (%)				
Employed 30 hours/week or more	8.0	8.4	6.6	9.0
Employed less than 30 hours/week	14.8	13.3	14.0	17.0
Looking for work, not employed	23.1	25.9	22.0	21.5
Neither employed nor looking for work	54.1	52.4	57.3	52.4
Activity-limiting conditions (%)				
Reported physical problem[a]	25.2	24.8	25.1	25.8
Reported emotional problem[a]	7.7	7.3	9.1	6.6
Children				
Number of children under age 19 (%)				
1	61.2	59.8	62.0	61.8
2	27.2	28.3	31.7	27.4
3 or more	11.6	11.9	6.3	10.8
Age of youngest child (%)				
0-2	29.3	30.9	31.2	25.8
3-5	23.0	24.8	19.3	24.7
6-11	27.2	29.1	25.6	26.8
12 or older	20.6	15.2	23.9	22.6

(continued)

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Table 1.1: Characteristics of Report Sample Members at Random Assignment (Cont'd)

Characteristic	Overall	SSP Plus Group	Regular SSP Group	Control Group
Not working and couldn't take a job in prior 4 weeks because of (%)[1]				
Any reason	40.4	41.6	41.7	37.8
Own illness or disability	13.6	11.9	15.6	13.3
Lack of adequate child care	9.8	11.2*	8.3	9.8
Personal or family responsibility	11.9	11.2	11.8	12.6
Going to school	7.0	10.3*	5.2*	4.9
No transportation	6.6	8.3	4.5	5.9
Too much competition	0.6	0.0	0.5	0.3
Not enough education	4.7	2.1	6.6	5.2*
Not enough experience or skills	4.0	3.8	5.6	4.5
Other	2.1	1.0	2.4	2.8
Opinions and expectations				
Said greatest need was (%)				
Immediate full-time employment	38.8	36.8	37.6	42.0
Immediate part-time employment	9.1	9.8	8.0	9.4
Education or training	39.4	43.5	39.2	35.4
Something else	11.0	8.4	12.8	11.8
Don't know	1.7	1.4	2.4	1.4
If I got a job, I could find someone I trust to take care of my child (%)				
Agree	65.2	69.8	64.6	61.3
Disagree	14.5	15.7	12.8	17.1
No care required	20.2	16.5	22.6	21.6
Urban residence (%)	69.3	67.8	70.5	69.4
Ethnic background				
First Nations ancestry (%)	5.6	5.2	4.5	7.0
Asian ancestry (%)	0.3	0.3	0.0	0.7
French-speaking (%)	25.9	28.7	24.0	25.0
Immigration				
Not born in Canada (%)	2.7	2.8	2.8	2.4
Immigrated in last 5 years (%)	0.5	0.7	0.3	0.3
Sample size (total = 862)	862	286	288	288

Sources:

Notes:

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Every IA recipient selected for SSP Plus had to have received Income Assistance in the month she was selected and in *at least* 11 of the prior 12 months. At baseline, most sample members had received Income Assistance for many more months. Almost 80 percent had been receiving Income Assistance for two or more of the previous three years, and nearly 45 percent had been receiving Income Assistance for two or more of the previous three years. Although nearly all sample members had worked for pay at some point in the past, more than half the report sample were neither working nor looking for work at baseline, and less than one-quarter were actually working.

Sample members also faced what appeared to be substantial barriers to full-time employment. One-quarter reported an activity-limiting physical condition. Over half had a child under the age of five in their households, and 80 percent reported that they would need child care if they found a job. The two most common reasons given for not taking a job in the past four weeks were the respondent's own illness or disability and personal or family responsibilities.

The process of random assignment, as described previously, is designed to avoid systematic differences between program and control groups. Although some differences will arise by chance, there were more differences between the SSP Plus and regular SSP program groups at baseline than chance alone would predict.[9] It is not clear what effect these differences would have. Some differences would indicate that the SSP Plus program group was somewhat less disadvantaged than the regular SSP program group. In particular, SSP Plus program group members were less likely to have grown up with a single parent or in a welfare-receiving household, and they were more likely to say that they could find trustworthy child care if they found jobs. In addition, members of the SSP Plus program group were less likely than members of the regular SSP program group to say they had not been able to work because they lacked education or work experience. Other differences imply that the SSP Plus program group would have a harder time taking advantage of the supplement offer. They were more likely to have three or more children, but they were less likely to have only teenage children. These differences are assessed later in the report; but they do not appear to have substantially affected the overall conclusions about the effectiveness of the SSP Plus program.

RESEARCH QUESTIONS

The purpose of SSP Plus is to improve the lives of IA recipients who are offered the supplement by increasing both their income and their earnings. Whether it can do that depends on a number of factors. Of course, the new policy should differ enough from the old policy to matter. Moreover, the policy has to be understood by families in the program group. In addition, members of the control group should not have access to a similar program, either as part of the standard welfare package or through other channels in society. If all these

[9] Significant differences between program and control groups are indicated in the Appendix, in Table A.1. The implications of these differences for impact analyses are discussed in Chapter 4.

conditions are met, the new policy might be able to meet its goals. The remainder of this report takes up these issues, addressing a number of questions:

- Were SSP Plus services different enough that they might matter, compared with the services that could be received by control group members and members of the regular SSP program group? Chapter 2 addresses this question by describing the kinds of services that were included in the SSP Plus program design and discussing whether program operators and recipients viewed them as different from services offered to IA recipients.

- Did members of the SSP Plus program group receive adequate information about SSP Plus services, and did they understand the earnings supplement offer? Chapter 2 also addresses this issue by describing results from the follow-up survey of all members of the report sample. The discussion in Chapter 2 also relies on qualitative analyses from focus groups held with members of the SSP Plus program group.

- How many members of the SSP Plus program group participated in SSP Plus job-search and other services, and why did some members of the program group fail to use particular services? What did participants think about the services they were offered, and which were they most likely to use? Chapter 2 answers these questions by examining administrative records from the PMIS on the types and frequency of services used by the SSP Plus program group, and focus group data.

- Did more members of the SSP Plus program group obtain job-search and other services than did members of either the control group or the regular SSP program group? Chapter 2 also addresses this issue through responses to the follow-up survey.

- Who took up the supplement offer? Do more people take up the supplement offer when services are offered in addition to the earnings supplement? Does the addition of SSP Plus services enable more disadvantaged subgroups of IA recipients to take up the supplement offer? Are people who are offered SSP Plus services in addition to the earnings supplement more likely to maintain supplement receipt than people offered the earnings supplement alone? Chapter 3 shows that SSP Plus services substantially increased the proportion of sample members who received the supplement.

- Did the services received by SSP Plus program group members also increase employment, earnings, and income while reducing IA receipt? Chapter 4 turns to these issues, discussing the *impacts* of SSP Plus financial incentives and services on economic outcomes.

Chapter 2:
Service Options and Program Models

INTRODUCTION

The Self-Sufficiency Project (SSP) assigned randomly selected single parents to two program groups — an SSP Plus program group and a regular SSP program group — in an attempt to learn whether job-search and other services could improve the response of IA recipients to the supplement offer. Program staff contacted members of both groups at regular intervals and encouraged them to take up the earnings supplement. Members of the SSP Plus program group also received a variety of special job-search, job-retention, and job-advancement services. Members of the regular SSP program group did not have access to any in-house services. Instead, they were offered information (for example, descriptions, addresses, and contact numbers) about job-search services operated by Income Assistance and other outside agencies.

Table 2.1 provides an "at-a-glance" comparison of SSP Plus and regular SSP program components. These components are briefly described in Table 2.2.

Table 2.1: Comparison of Information and Services Received by the SSP Plus and Regular SSP Program Groups

	SSP Plus	Regular SSP
Information		
First information session[1]	✓	✓
Second information session[2]	✓	✓
Money Matters I	✓	✓
Money Matters II	✓	✓
Services		
Employment plan	✓	
Resume service	✓	
Job club	✓	
Job coaching	✓	
Job leads	✓	
Self-esteem workshop	✓	✓
Other workshops	✓	

Notes: [1] The content of first information sessions attended by members of the SSP Plus program group and first information sessions attended by members of the regular SSP program group were virtually identical: focused almost exclusively on earnings supplement rules and procedures.

[2] At second information sessions attended by members of the SSP Plus program group, program staff described SSP Plus services. At second information sessions attended by members of the regular SSP program group, program staff continued the discussion of earnings supplement rules and procedures.

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Table 2.2: Description of Information and Services Received by the SSP Plus and Regular SSP Program Groups

INFORMATION: Sessions attended (separately) by members of both program groups	
First information session	• Program staff present information on the earnings supplement
Second information session	• Members of the SSP Plus program group receive information on SSP Plus services (an employment plan and résumé service, a job club and various workshops: job coaching, and job leads). Members of the regular SSP program group continue to learn about earnings supplement rules and procedures.
Money Matters I	• Program staff discuss debt management, budgeting methods and savings plans.
Money Matters II	• Program staff discuss wage progression and career advancement.
SERVICES: Offered only to members of the SSP Plus program group	
Employment plan	• A blueprint for self-sufficiency. Includes information on employment barriers, goals, and anticipated use of SSP Plus services.
Résumé service	• SSP Plus program staff are available to draft, type, format, proofread, and print résumés.
Job club	• Enrolment in job clubs led by SSP Plus job coaches is encouraged. Emphasis is on early contact with employers, consistent follow-up, and the importance of maintaining a positive attitude.
Job coaching	• Program group members form one-on-one relationships with SSP Plus program staff, who offer practical advice and emotional support.
Job leads	• SSP Plus program staff collect and distribute news of job openings.
Self-esteem workshop	• Program group members participate in exercises designed to build self-esteem.
Other workshops	• Workshops target members of the SSP Plus program group confronting job loss or looking for higher-paying positions.

This chapter provides an explanation of the program components that SSP Plus and regular SSP shared and those they did not share. It discusses the availability of job-search services outside of SSP and the successful establishment of a service differential between the SSP Plus and regular SSP program groups. Finally, it describes in detail the various service components of the SSP Plus program and provides information on the use of these components by program group members.

SHARED COMPONENTS IN SSP PLUS AND REGULAR SSP

Information Sessions

All program group members were informed, by mail, of the supplement offer and were invited to attend a first information session to learn more about it. Separate information sessions were held for members of the SSP Plus program group and members of the regular SSP program group.

Although the first information session was originally envisioned as a group session, program group members who proved unable or unwilling to attend a group session were offered individual appointments with program staff. Staff encouraged program group members who asked for individual sessions to come to an SSP office, but when this was not possible, staff travelled to program group members' homes.

All first information sessions, whether administered in a group or individual format, had the same general content and structure. Session leaders introduced the earnings supplement, reviewed its main features (the work requirement, the one-year clock, the three-year time limit), explained how supplement payments would be calculated, and asked all program group members to think seriously about the supplement offer.

Services were also mentioned briefly at first information sessions. Now the two program groups were sent very different messages. At SSP Plus sessions, program group members were told that special in-house services would soon be made available to them. At regular SSP sessions, program group members were given information on services available through Income Assistance and other community agencies.

Members of both program groups were invited to a second information session scheduled within a few weeks of the first. Again, SSP Plus and regular SSP sessions were held separately. The second session attended by members of the SSP Plus program group focused on the content of SSP Plus employment services: the employment plan and résumé service, job club and other workshops, job coaching, and job leads. The second session attended by members of the regular SSP program group was devoted to an expanded discussion of how the earnings supplement might pay off for single parents in varying situations — parents with one, two, or three children, working different hours at different wage rates, and with various sources of unearned income (for example, alimony and child support). Session leaders also shared a few job-search tips (how to locate employers, write a résumé, handle an interview) with members of the regular SSP program group.

Given the hypothesis that the provision of special job-search and other services would increase supplement take-up in the SSP Plus program group, it was important to be able to attribute any increased take-up found in this group to these services rather than to any confusion about the supplement opportunity among members of the regular SSP program group. Did information sessions provide members of both program groups with an adequate introduction to the earnings supplement? Did members of the regular SSP program group understand supplement rules as well as members of the SSP Plus program group? In a follow-up survey administered 18 months after random assignment, members of both program groups were asked about their initial understanding of the supplement offer.

[1] For additional information on the structure and content of first information sessions, see Mijanovich and Long, 1995.

Table 2.3 indicates that the regular SSP program group understood most of the supplement's features as well as the SSP Plus program group did. Although there were significant differences in the percentage of program group members who grasped two particular rules (the one-year clock and the three-year time limit), it is unlikely that these differences contributed to differences in supplement take-up between the program groups (that is, to higher take-up among SSP Plus program group members). Program group members did not significantly differ in their understanding of the most essential point — that if they left Income Assistance, worked full time, and collected the supplement, they would be financially better off. In addition, differences in understanding (significance levels aside) sometimes favoured the SSP Plus program group and sometimes favoured the regular SSP program group. There is no consistent pattern of increased comprehension among members of the SSP Plus program group.

Table 2.3: Program Group Members' Knowledge of SSP Earnings Supplement Rules

Percent Who Understood That:	SSP Plus	Regular SSP	Difference	Standard Error
SSP offers an earnings supplement	81.5	84.4	-2.9	(3.2)
Recipients must leave IA to receive the supplement	53.0	59.3	-6.3	(4.2)
Recipients must work full time to receive the supplement	97.2	97.2	0.0	(1.4)
SSP allows recipients one year to find a job	87.7	80.9	6.8 **	(3.0)
Program participants can collect the supplement for three years	84.9	79.5	5.4 *	(3.2)
Recipients are financially better off if they leave IA, work full time, and collect the supplement	90.5	87.5	3.0	(2.6)
Sample size (total = 573)	285	288		

Source: Calculations from 18-month follow-up survey data.

Notes: Sample sizes vary for individual measures because of missing values.

A two-tailed t-test was applied to differences between the outcomes for the research groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent.

Rounding may cause slight discrepancies in sums and differences.

These results are consistent with the data that appear in Table 2.4. Members of the regular SSP program group were as likely to attend the first information session as members of the SSP Plus program group. Presumably, their attendance explains why members of the regular SSP program group had as generally thorough a knowledge of supplement rules as members of the SSP Plus program group. Differences in attendance rates at second information sessions do not point to increased knowledge of supplement rules among members of the SSP Plus program group, because the second information session attended by members of the SSP Plus program group focused on SSP Plus services, not supplement rules. Therefore, even though members of the SSP Plus program group attended the second information session in larger numbers than members of the regular SSP program group, they did not receive more information about the earnings supplement as a result. Any additional discussion of supplement rules at the Money Matters I workshop (discussed below) would favour members

In the tables throughout this report, differences between groups are evaluated in terms of their statistical significance. Asterisks next to an impact estimate (shown in the "Difference" column) indicate that the estimate is statistically significant, meaning that it is large enough to be regarded as evidence that the program had an impact. Impact estimates without asterisks are not statistically significant and should not be regarded as evidence of an impact, because small differences between the two groups being compared (program and control group, or the two program groups) can occur even if there is no impact. The standard error, shown in the final column of the table, is an indicator of the statistical precision of the estimated impacts.

of the regular SSP program group, since they attended this session at a much higher rate than members of the SSP Plus program group.

Table 2.4: Participation in SSP Information Sessions and Workshops

Participation in Session or Workshop (%)	SSP Plus	Regular SSP	Difference	Standard Error
First information session	99.3	99.0	0.3	(0.8)
Attended group session	52.9	54.4	-1.5	(4.1)
Received individual session	46.4	44.6	1.8	(4.1)
Second information session	49.8	28.7	21.1 ***	(3.9)
Money Matters I	0.7 [a]	13.2	-12.5 ***	(2.0)
Money Matters II	42.0	30.1	11.9 ***	(3.9)
Sample size (total = 589)	293	296		

Source: Calculations from SSP's Program Management Information System (PMIS).

Notes: A two-tailed t-test was applied to differences between the outcomes for the research groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent.

Rounding may cause slight discrepancies in sums and differences.

[a] Only two members of the SSP Plus program group attended the first money management workshop.

Money Matters I and II

Members of both the SSP Plus and the regular SSP program groups were invited, separately, to two money management workshops. The first was scheduled a few months after the first information session; the second was held later, and designed specifically for supplement takers. The Money Matters I and Money Matters II sessions attended by members of the SSP Plus program group were identical in content to those attended by members of the regular SSP program group. Money Matters I attracted very few participants; Money Matters II attracted more (see Table 2.4).[1]

Money Matters I was held to "help project participants increase their awareness of money management options and plan the use of their finances well."[2] Participants received information on how to file for the federal child tax benefit, pursue child support from ex-partners,[3] avoid debt, and protect themselves from collection agencies. Options for spending or saving the extra cash generated by the earnings supplement were also discussed.

Money Matters II was designed to "promote self-sufficiency, wage progression, career planning and goal setting, and financial management."[4] Wage progression — how to ask for a raise, win a promotion, or look for a better job — was a primary topic of discussion at this workshop. Participants were urged to consider "top jobs of the '90s" and opportunities in fields not traditionally popular with women. Strategies for establishing successful relationships with supervisors and co-workers, building and maintaining self-esteem, and managing stress were also discussed.

[1] SSP Plus Program staff had some influence on the different rates of attendance at Money Matters I and Money Matters II sessions. They strongly encouraged attendance at Money Matters II, and marketed Money Matters I less intensively.

[2] Price, 1996, p. 6.

[3] Program group members who initiated the earnings supplement were able to pursue child support without the disincentive of losing IA dollars.

[4] Price, 1996, p. 7.

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THE SERVICE DIFFERENTIAL

The SSP Plus experiment turned on the establishment of a service differential between the SSP Plus program group and the regular SSP program group. The establishment of this differential was complicated by two facts: (1) members of the SSP Plus program group were never under any obligation to use SSP Plus services, and (2) members of the regular SSP program group and the control group were free to use outside services.

Service Options Available to All Groups

SSP was not the only player in New Brunswick's welfare-to-work field. Income Assistance, Human Resources Development–New Brunswick, and Canada Employment Centres (CECs)[1] also operated programs and services designed to help welfare-dependent single parents leave Income Assistance. SSP program staff referred members of the regular SSP program group who requested job-search assistance to some of these programs and services. They also encouraged regular SSP program group members to use SSP's resource library, which contained a variety of brochures and information packets produced by Income Assistance, Human Resources Development Canada, and CECs, in addition to job-search books and tapes, directories of local employers, local labour market data, and other materials.

NB Works, one of the province's largest welfare-to-work initiatives, guaranteed participants 20 weeks of public sector employment and the opportunity to draw unemployment benefits while enrolled in education or training. Income Assistance offered IA recipients some job-search assistance (in the form of job clubs, job counselling, and help with résumés). Income Assistance also enrolled selected recipients in FOCUS, a program that combined public sector employment with limited amounts of job-search assistance and counselling. CECs made a variety of vocational training courses available to IA recipients and others. The CEC also sponsored a network of job banks throughout the province.

If members of the SSP Plus program group were not required to use SSP Plus services, and members of the regular SSP program group and the control group could access job-search and other services outside of SSP, how did SSP Plus program staff establish a service differential between groups? They launched an intense marketing campaign on behalf of the SSP Plus services package. While members of the regular SSP program group were contacted periodically by SSP program staff, who called only to remind them of the supplement opportunity or to respond to requests for information about outside services, members of the SSP Plus program group were contacted frequently and were strongly encouraged to avail themselves of SSP Plus services. After take-up, staff contact with members of the regular SSP program group was intermittent, usually concerning supplement payment problems or procedures, but staff contact with members of the SSP Plus program group was intensified. Job coaches actively advised SSP Plus takers in the areas of job retention and job advancement, and several new SSP Plus-only workshops were scheduled around topics of interest to the newly employed.

[1] Since the end of 1995, local HRDC offices have been re-designated as Human Resources Centres of Canada (HRCCs). However, this report uses the designation Canada Employment Centres (CECs), which was in effect when participants were being enrolled in SSP.

SSP staff succeeded in convincing almost all SSP Plus program group members to use at least one SSP Plus service. As Table 2.5 shows, participation rates in several services were high.

Table 2.5: Participation in SSP Plus Activities

Activity	Percentage	Number
Completed employment plan	94.2	276
Used resume service	68.6	201
Attended job club	25.3	74
Received job coaching[a]	71.3	209
In person	31.7	93
By phone	63.8	187
Received job leads[a]	61.4	180
In person	10.6	31
By phone	57.3	168
By mail	22.5	66
Sample size (total = 293)		

Source: Calculations from SSP's Program Management Information System (PMIS).

Notes: Table includes all members of the SSP Plus program group.

[a]Categories are not mutually exclusive; distributions do not add up to 100 percent.

Interviews with IA staff and SSP program staff indicated that outside service providers did not make as great an effort to reach members of the regular SSP program group or members of the control group. For instance, recipients who sought job-search or other services from Income Assistance had to pursue IA staff aggressively, and those who eventually connected with appropriate staff often reported that they had difficulty finding services appropriate to their needs. Note, also, that even though members of the regular SSP program group had a financial incentive to seek services that would help them find full-time employment, members of the control group did not.[7]

In the follow-up survey administered 18 months after random assignment, members of the SSP Plus program group, the regular SSP program group, and the control group were asked to report their participation in job-search and other activities. Results are shown in Table 2.6.

The first three columns show rates of participation in several types of activities by members of the SSP Plus, regular SSP program, and control groups. Column 4 shows the estimated impact of the SSP Plus program — the difference between the SSP Plus program group and the control group in participation in each of these activities. Column 5 shows the estimated standard error of the impact of the SSP Plus program. Columns 6 and 7 show the estimated impact and standard error of the regular SSP program — the difference between the regular SSP program group and the control group in participation in each of these activities. Finally, columns 8 and 9 show the estimated *incremental* impact and standard error of the SSP Plus program relative to the regular SSP program — the difference between the SSP Plus program group and the regular SSP program group in participation in each of these

[7]The financial disincentives to work faced by single-parent Income Assistance recipients are discussed at length in Mijanovich and Long, 1995.

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Table 2.6: SSP Plus Impacts on Service Receipt and Education Since Random Assignment

Outcome (%)	Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
	SSP Plus Group (1)	Regular SSP Group (2)	Control Group (3)	Impacts of Financial Incentives and Services (4)	Standard Error (5)	Impacts of Financial Incentives Alone (6)	Standard Error (7)	Added Impacts of Services (8)	Standard Error (9)
Took part in job search program such as job club or job search workshop	47.9	31.9	26.7	21.2 ***	(3.9)	5.2	(3.9)	16.0 ***	(3.9)
Took part in life skills program such as money management or parenting	27.6	28.8	25.7	1.9	(3.7)	3.1	(3.7)	-1.2	(3.7)
Received counselling for personal problems	26.6	29.5	27.9	-1.3	(3.8)	1.6	(3.7)	2.9	(3.8)
Participation in work-related training or education[1]	16.4	16.7	15.3	1.2	(3.1)	1.4	(3.1)	-0.2	(3.1)
Participation in NB Works	8.0	9.4	10.4	-2.4	(2.4)	-1.0	(2.4)	-1.3	(2.4)
Took courses toward completion of high school diploma, college diploma or university degree[2]	7.3	6.6	7.6	-0.3	(2.2)	-1.0	(2.2)	0.7	(2.2)
Sample size (total = 862)	286	288	288						

Source: [illegible] from 18-month follow-up survey data.

Notes: A two-tailed t-test is applied to the impact estimates. Statistical significance levels are indicated as * = 10 percent, ** = 5 percent, *** = 1 percent.
[illegible] regression adjustments to control for differences.

[1] The question asked at the 18-month interview was: "Have you taken any work-related training or education, including correspondence courses, public job training programs, apprenticeship courses, or other courses?"

[2] The question asked at the 18-month interview was: "Since your last interview, have you taken any other courses that are not directly work-related, such as courses toward [illegible] high school diploma, college diploma or university degree?"

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activities. Note that the differential impact of the SSP Plus program in column 8 equals the difference between the impacts of the SSP Plus and regular SSP programs in columns 4 and 6. It represents the *added* impact of services.

Although the rates at which members of the SSP Plus program group, regular SSP program group, and control group participated in life-skills programs, work-related training or education, and schooling are similar, there are significant differences in the rate at which they participated in job-search programs. SSP Plus offered program group members some training in life skills, but it was essentially a job-search, job-retention, and job-advancement program. The survey data indicate that the proportion of the SSP Plus program group that engaged in organized job-search efforts was higher than the proportion that did so in the regular SSP program group or the control group. The difference is significant and substantial: whereas almost half (48 percent) of the SSP Plus program group participated in job-search activities, less than one-third (32 percent) of the regular SSP program group and approximately one-quarter (27 percent) of the control group did so.

Field data also indicate that the job-search and other services SSP Plus offered were qualitatively different from those offered by Income Assistance or other providers. Services focusing on job retention and job advancement were generally unavailable in program group members' communities.

The successful establishment of a job-search service differential between the SSP Plus program group and the regular SSP program group allows us, *ceteris paribus*, to attribute differences in program group members' earnings, employment, and welfare receipt to participation in SSP Plus services. It is very unlikely that the SSP Plus program group's higher rate of job-search service participation was due to increased utilization of outside services. Note also that members of the SSP Plus program group were no more likely to receive job-search referrals from IA workers than were members of the regular SSP program group (see Table 2.7).

Although SSP program staff did not provide members of the regular SSP program group with in-house services, they offered members of this group information on services available outside of SSP. Table 2.7 indicates that SSP program staff engaged in this kind of information provision quite frequently; although there is no significant difference in the rates at which members of the regular SSP program group and members of the control group received job-search referrals from IA workers, members of the regular SSP program group were much more likely to report that they had received job-search referrals from IA *or* SSP staff.

Table 2.7: SSP Plus Impacts on Information and Referral Receipt Since Random Assignment

Outcome (%)	Outcome Levels: SSP Plus Program Group (1)	Outcome Levels: Regular SSP Program Group (2)	Outcome Levels: Control Group (3)	SSP Plus vs. Control: Impacts of Financial Incentives and Services (4)	SSP Plus vs. Control: Standard Error (5)	Regular SSP vs. Control: Impacts of Financial Incentives Alone (6)	Regular SSP vs. Control: Standard Error (7)	SSP Plus vs. Regular SSP: Added Impacts of Services (8)	SSP Plus vs. Regular SSP: Standard Error (9)
Received referral from Income Assistance worker for:									
Job search program such as job club or job-search workshop	24.5	20.1	17.0	7.5 **	(3.4)	3.1	(3.4)	4.3	(3.4)
Life skills program such as money management or parenting	12.9	12.2	15.6	-2.7	(2.9)	-3.5	(2.9)	0.8	(2.9)
Counseling for personal problems	9.8	13.2	10.8	-1.0	(2.6)	2.4	(2.6)	-3.4	(2.6)
Work-related training or education	3.5	4.2	5.6	-2.1	(1.7)	-1.4	(1.7)	-0.7	(1.7)
Received information or referral from Income Assistance worker or SSP for:									
Job search	65.9	65.5	18.8	37.2 ***	(3.8)	16.8 ***	(3.8)	20.4 ***	(3.8)
Child care	22.0	13.2	6.6	15.4 ***	(2.8)	6.6 **	(2.8)	8.8 ***	(2.9)
Education and training	25.2	23.0	17.4	7.8 **	(3.4)	5.6	(3.4)	2.2	(3.4)
Other services	1.6	1.2	1.4	2.1 *	(1.2)	0.4	(1.2)	1.8	(1.2)
None of the above	37.8	58.2	72.2	-34.5 ***	(4.0)	-14.0 ***	(4.0)	-20.4 ***	(4.0)
Sample size (total = 862)	286	288	288						

Source:

Notes:

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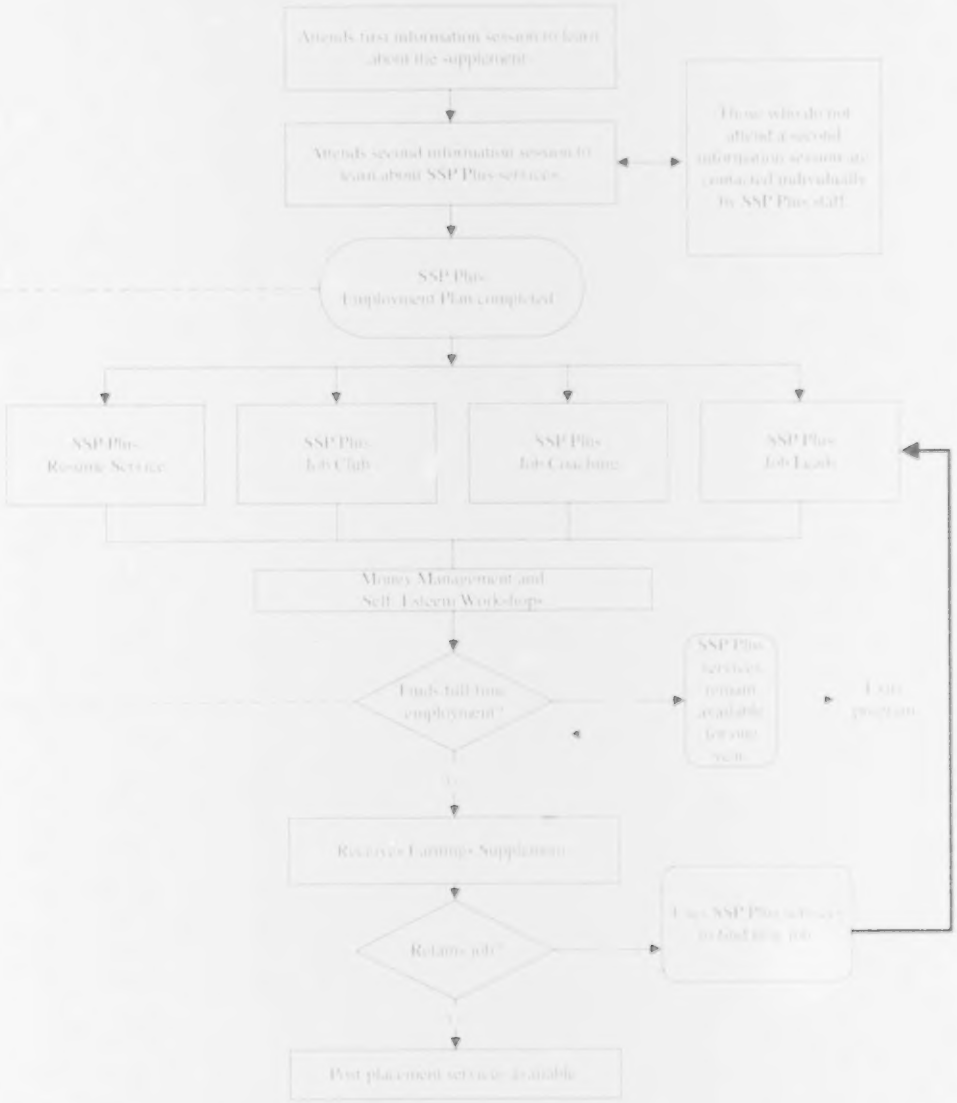
The SSP Plus Program Design

SSP Plus offered members of the SSP Plus program group a range of services designed to help them get and keep full-time jobs. The program flow experienced by members of this group is illustrated in Figure 2.1.

Figure 2.1: SSP Plus Program Participation Flow Chart


Attends first information session to learn about the supplement
Attends second information session to learn about SSP Plus services
Those who do not attend a second information session are contacted individually by SSP Plus staff
SSP Plus Employment Plan completed
SSP Plus Resume Service
SSP Plus Job Club
SSP Plus Job Coaching
SSP Plus Job Leads
Money Management and Self-Esteem Workshops
Finds full-time employment?
SSP Plus services remain available for one year
Exits program
Receives Earnings Supplement
Retains job?
Uses SSP Plus services to find new job
Post-placement services available

Note: SSP Plus offered program group members a range of nonmandatory services, and it allowed them to combine these services in a variety of ways. The program participation flow chart indicates a typical chronology of service use, but it does not exhaust all possibilities. Some program group members took up the supplement before attending a second information session or learned about SSP Plus services

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Members of the SSP Plus program group had the opportunity to:

- complete an SSP Plus employment plan
- use the SSP Plus résumé service
- join an SSP Plus job club
- attend SSP Plus workshops
- talk regularly to an SSP Plus job coach
- receive job leads from SSP Plus staff

The employment plan helped program group members identify goals and devise means for achieving them. The résumé service provided program group members with an essential job-search tool. The job club and other SSP Plus workshops gave program group members an opportunity to learn from one another and boost each other's confidence. Job leads pointed program group members toward promising openings, and job coaches offered program group members individualized instruction in job search, job retention, and job advancement. Job coaches also lent program group members a sympathetic ear when times got tough.

In the discussion of services that follows, several questions are addressed: How did the SSP Plus services actually operate? How many members of the SSP Plus program group participated in them? When were the services available? Did supplement takers make greater use of the services than non-takers? What did program group members think of the services? Why did some members of the program group fail to use them? Answers to these questions are based on three sources of information: program design and implementation data provided by program operators, quantitative data drawn from program records, and qualitative data provided by program group members themselves.

Data on SSP Plus program design and implementation are drawn from SSP Plus design documents and interviews with SSP Plus office managers and job coaches. Field researchers made two visits to SSP program offices in Moncton and Saint John, one in February 1996 and one in April 1997.

Quantitative data on SSP Plus service use are derived from SSP's Program Management Information System (PMIS). The PMIS was used to record all program-related events, including contacts and contact attempts; information referrals; information sessions scheduled, attended, or missed; employment plans completed; résumé services used; job clubs and workshops attended; job coach conferences; job coach calls made or received; and job leads provided. In this report, PMIS data reflect program activity from random assignment through the close of the 12-month window (for supplement non-takers) and from random assignment through a 12-month period following supplement take-up (for takers).[7]

Program group members' comments on SSP Plus services are drawn from transcripts of focus groups convened in the cities of Saint John and Moncton in June 1996, almost two years after the random assignment of members of the SSP Plus program group had begun and

[7] Future reports may uncover increases (or decreases) in the rates at which SSP Plus supplement takers used particular services after this period. (SSP Plus program operators have informally reported an increase in job coaching activity after the 12-month point.)

more than a year after SSP Plus program intake had ended. Two focus groups were held in each city. Program group members who had taken up the supplement were invited to one session, and program group members who had chosen not to take it up were invited to the other. Although other subjects were also discussed, a primary purpose of the focus groups was to get feedback on the quality and utility of the services offered to members of the SSP Plus program group.[10] The program group members who were asked to participate were therefore randomly drawn from all those who had used at least one SSP Plus service — the résumé service. Several had also used other SSP Plus services.[11]

Eleven program group members were recruited for each focus group, in order to increase the probability that at least eight would arrive to participate. Response rates were high. In Saint John, nine program group members participated in the supplement takers group, and eight participated in the non-takers group; in Moncton, both groups were attended by nine program group members.

SSP PLUS JOB SERVICES

SSP Plus Employment Plan

Although almost all SSP Plus services were formally available both before and after supplement take-up, some were used much more frequently before, because they focused on job search, rather than job retention or job advancement. The employment plan and résumé service were two such services.

The employment plan was designed to guide program group members along a self-designed path to self-sufficiency. It included a brief description of program group members' short- and long-term goals (both personal and professional); current circumstances (including existing barriers to employment); education, skills, and training; and work experience. The employment plan also contained a record of the steps the program group member had agreed to take to find full-time employment and a list of the SSP Plus services she had expressed interest in using. A sample employment plan is shown in Figure 2.2.

Identifying appropriate steps was not easy, and it often required program group members to take a hard look at themselves and the obstacles in their path (for example: Do I have a substance abuse problem I need to deal with? Without a high school diploma, what kind of work can I get?). SSP Plus program staff encouraged program group members to think creatively about how particular barriers to employment could be removed or overcome.

The employment plan was usually the first service members of the SSP Plus program group received. The plan's completion allowed SSP Plus staff to familiarize themselves with program group members' individual situations, and it gave program group members an opportunity not only to formulate plans for the future, but also to discuss these plans with someone adept at suggesting practical means for realizing them.

[10] In order to encourage an unbiased assessment of SSP Plus services, focus groups were held away from SSP offices (often in the conference rooms of local hotels).

[11] At the time program group members were recruited for participation in the focus groups, PMIS records indicated that only 60 percent of SSP Plus program group members had used the SSP Plus résumé service.

Figure 2.2: A Sample SSP Plus Employment Plan

(DRAFT/EXAMPLE ONLY)

SSP Plus Participant	Jane Doeraymee
SSP ID	2345

Contact Information

Phone 1 555-5678	Address	9123 City Road
Phone 2 555-1234		Saint John

Assessment

35-year female with 2 boys (8 & 10) in school. Has no employment history since 10 years ago. Previous experience was as waitress. Has high school diploma and some bookkeeping courses. Home life is stable. Has no means of transportation other than buses and taxis. Child care only a problem during evenings (OK til 6pm). Is confident and outgoing, likes working with the public.

Employment Goals

Wants a good clerical or admin position in a small office where she can learn other jobs. Would like 9-5 weekdays but would consider a few evenings and an occasional Saturday.

Services

Activities	Who responsible?	By what date?	Completion date
Résumé Prepared	Job Coach	Jan 1/95	Jan 3/94
Child care arranged	Jane	Jan 1/95	Jan 15/94
Job Search Techniques	Job Coach	Jan 1/95	Jan 15/94
Employer Search	Jane contacts 15 wk	Feb 25/94	Feb 20/94
Search debriefing	Jane and Job Coach	Feb 25/94	

Prepared/Reviewed/Revised		Date
SSP Plus participant	SSP Job Coach	

Supplement Initiation Completed	Date

Note: Certain identifying information, including the participant's name and address, has been changed. Format may vary from replicate to replicate of Individual Employment Plan.

A very high percentage — 94 percent — of the SSP Plus program group completed an SSP Plus employment plan. Close to 100 percent of supplement takers completed a plan. Among non-takers, the completion rate was 90 percent (see Table 2.8).

Table 2.8: Participation in SSP Plus Activities by Supplement Takers and Non-Takers

Activity (%)	Supplement Status		
	Takers	Non-Takers	Total
Completed employment plan	98.7	89.6	94.2
Used resume service	77.2	59.7	68.6
Attended job club	32.2	18.1	25.3
Received job coaching[a]	90.6	51.4	71.3
In person	39.6	23.6	31.7
By phone	86.6	40.3	63.8
Received job lead[a]	74.5	47.9	61.4
In person	11.4	9.7	10.6
By phone	68.5	45.8	57.3
By mail	44.3	0.0[b]	22.5
Sample size	149	144	293

Source: Calculations from SSP's Program Management Information System (PMIS).

Notes: Table includes all members of the SSP Plus program group.

"Takers" are those program group members who qualified for the supplement before the end of the one-year take-up window and received at least one supplement payment. "Non-takers" are those program group members who never received a supplement payment.

[a] Categories are not mutually exclusive; distributions do not add up to 100 percent.

[b] Job leads were not mailed before supplement take-up.

SSP Plus program design anticipated early completion of the employment plan. More than one-quarter of completed plans were drawn up within 30 days of program group members' first information session. As Table 2.9 indicates, half were completed within three months, and three-quarters within five months.

Table 2.9: Time Taken for Completion of Employment Plan

Number of Months After First Information Session	Percentage
Within 1 month	27.5
Within 2 months	41.3
Within 3 months	52.5
Within 4 months	67.8
Within 5 months	77.5
Within 6 months	85.5
Within 12 months	100.0
Sample size (total = 276)	

Source: Calculations from SSP's Program Management Information System (PMIS).

Note: Table includes all members of the SSP Plus program group who completed an employment plan within 12 months of the first information session.

Although it was originally intended that job coaches would complete program group members' employment plans during one-on-one job-coaching sessions, employment plan work was gradually added to the first and second information sessions. This strategy evolved as program group members proved unable or unwilling to return to the SSP office, after a first or second visit, to complete an employment plan. Twenty-one percent of completed employment plans were therefore produced at first information sessions, and 14 percent in conjunction with second information sessions. A small number of plans (seven percent)

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received attention at both first *and* second information sessions. The remaining 58 percent were completed at some other time, such as a one-on-one phone, in-office, or at-home conference.

Focus group data indicate that even though SSP Plus program staff completed employment plans for almost every member of the program group, the employment plan did not create a lasting impression. Several focus group participants had trouble recalling the employment plan and how it was supposed to have been used. Perhaps this was because the employment plan was not difficult to complete and usually required no more than 10 or 15 minutes of staff and program group members' time.

The employment plan was also not an SSP Plus service that focus group participants recalled with particular enthusiasm. Very few focus group participants mentioned the employment plan in their narrative comments, and when they were asked specifically, none rated it as the service they liked best. The one focus group participant who spoke at length about the employment plan described its utility as follows:

> *The first thing they asked me was "what do you want to do?" And I had big plans of going to school and going to be a pharmacist. And I said, like, they didn't talk me into it, but kind of gave me the idea of working in a pharmacy, and I'd kind of be in the store and get to see what takes place. I'm glad I did. I applied in every pharmacy in Saint John and the surrounding area, and I'm working in a pharmacy and I no longer want to be a pharmacist. I see what they go through every day, and I changed my mind.*

SSP Plus program staff reported that they often referred to the employment plan when they talked to program group members about their progress. However, as job searches evolved and program group members recognized new opportunities or scaled back original goals, the usefulness of the original employment plan often declined. Staff therefore encouraged program group members to come in and modify their employment plans whenever necessary. After one year of program participation, a complete update and review (or "assessment") was performed.

SSP Plus Résumé Service

SSP Plus operated a résumé service for the exclusive use of the SSP Plus program group. The résumé service was comprehensive and completely self-contained. Drafting, word-processing, formatting, proofreading, and printing were all accomplished in-house. The service was free of charge, and program group members were entitled to unlimited use of it. Over two-thirds (69 percent) of the SSP Plus program group used the SSP Plus résumé service. These included over three-quarters (77 percent) of supplement takers and fewer than two-thirds (60 percent) of non-takers (see Table 2.8).

As has already been noted, the PMIS data used in this report reflect program activity from random assignment through to the close of the 12-month window (for supplement non-takers) and from random assignment through to a 12-month period following supplement take-up (for takers). Therefore, the data do not indicate how many employment plan assessments were actually performed.

Résumé work often began at a first or second information session. As has been noted, SSP Plus program staff realized that program group members who came to information sessions might never make it back to the SSP office, so they began to try to accomplish as much service provision as possible during the information sessions themselves. Staff were also eager to equip program group members with résumés they could use in the SSP Plus job clubs, and these were scheduled to begin as soon as the second information sessions ended. Almost one-third (29 percent) of those who used the SSP Plus résumé service before supplement take-up began the résumé preparation process at a first or second information session.

As a job-search tool that would increase program group members' chances of finding full-time employment and taking up the supplement, the résumé service was most clearly identified with the pre-take-up period, but program group members also utilized the service after supplement take-up, either to replace jobs they had lost or to aid their search for better, or higher-paying, positions. As Table 2.10 indicates, more than one-quarter (28 percent) of supplement takers used the SSP Plus résumé service after take-up.

Table 2.10: Distribution of Résumé Service Use Among Supplement Takers by Phase of Program Participation

Phase of Program Participation (%)	Used Resume Service[a]
Before supplement take-up only	71.8
After supplement take-up only	18.2
Both before and after supplement take-up	10.0
Sample size (total = 110)	

Source: Calculations from SSP's Program Management Information System (PMIS).

Notes: Table includes all takers who used the résumé service, 2 years or more after supplement receipt, during the 3-year period.

SSP Plus program staff helped program group members enliven their resumes with relevant information on their experiences as homemakers, hobbyists, or volunteers. Many program group members had not realized that the skills they had developed outside of the workplace could be useful within it and attractive to employers:

> *There are things you do at home, like a hobby like making a blanket you don't realize that they're doing things for you as well to put on a résumé. You put it on a résumé, and people will notice that that's a plus for you, whereas you're just taking it for granted that it's something you do at home. There's hobbies you do all the time that you don't realize are, like, experience.*

Another focus group participant reported:

> *I think it got me thinking more about if you don't have much to put on a résumé, like if you volunteered or you belong to a group like the Lions Club or something, put it on. They went back to my schooling. I had some*

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in a choir, and also I quit smoking, as an achievement, and not everybody can do that. So it could be important. It makes you try to think of everything.

A third participant in the focus groups enthusiastically explained to the focus group moderator, "Even feeding your kids — that's food preparation."

Participants in the SSP Plus focus groups were uniformly positive about their experience with the SSP Plus résumé service. Program group members were impressed not only by the positive spin SSP Plus staff were able to put on their employment histories, which were often uneven, but also by the high technical quality of SSP Plus résumés:

If this employer has a stack of 200, they're just going to flip through and not see yours. When they see this nice pink or yellow paper and it's really thick, they take it out and think it looks really good.

Program group members who had previously prepared their own résumés, or had them done elsewhere, clearly preferred the SSP Plus version:

I had a résumé done before, but I like . . . the way SSP does it. Like, I — just the look of it, the way they do it, . . . you looked important when you went in. . . . It's more professional, . . . it looks SO damn good! When I compare them now, I think — I still have my old one — I just think, "Why'd I even bother?"

I had one before but it was really shitty. They made it look really nice.

Many reported that the SSP Plus résumé opened doors:

The one that hired me was VERY impressed with my résumé, and the paper that it was on. Wanted to know where I got it, and I didn't want to tell her!

The résumé helped me get my job. I hadn't worked for three years, so they helped me pick out what I was doing . . . and the woman that hired me, she said that's what got me hired.

Note that the entry-level — or minimum wage — positions that most program group members sought attracted few applicants who could afford professionally prepared résumés. Moreover, some program group members lived in rural areas where résumés were very rarely used.

Members of the SSP Plus program group were also struck by the program staff's customer service orientation. Staff took pains to respond to program group members' likes and dislikes in regard to style, format, and paper. They sought final approval before running off multiple copies of résumés (even though very few program group members ever requested changes), and they mailed dozens to program group members who were unable or unwilling to come to the SSP office to pick them up. More than one focus group participant noted that she was unaccustomed to such treatment:

It's like, "Hi Mary, I need a resume" and they say "Oh, just a second, Sue, tell me what you need." It's like, I'm on my way over there, and it's all handed to me, all stapled [and everything].

> *I went to get resumés. I called over and she made up my résumé right there on the phone, the changes in it. She sent it to me with a little note attached to it: "You didn't tell me what colour paper you wanted, so I gave you this colour. I hope you like it." Very personal.*

As a result, even program group members who did not find work and take up the supplement had good things to say about the SSP Plus résumé service:

> *No, it didn't get me a job, but it helped me with my self-esteem. . . . [It] motivated me [so] that I'm still looking like, I haven't given up.*

As has been noted, every program group member recruited for the focus groups had used the SSP Plus résumé service. Approximately one-third of the 35 program group members who attended the focus groups chose the SSP Plus résumé service as the service they liked best. A sample résumé is shown in Figure 2-3.

SSP Plus Job Club

The SSP Plus program design included a variety of group events intended to give program group members an opportunity to benefit from the support of peers. One such event was the job club.

SSP Plus program design called for one SSP Plus job club every six weeks, from February 1995 through July 1995, in three cities: Fredericton, Moncton, and Saint John. (Thereafter, clubs would be scheduled when program group members showed interest and staff schedules permitted.) The original club was two weeks long. It contained 20 individual training segments, with a morning or an afternoon devoted to each. Several segments were drawn from a prepackaged curriculum developed by Curtis & Associates, Inc. Others (for example, trips to local employers and presentations on the local labour market) were "home-grown."

Broadly stated, the purpose of the SSP Plus job club was to "empower participants to identify and solve their own barriers to self-sufficiency . . . develop their own plans of action . . . [and] understand the opportunities presented while on the job."[1] Throughout, the emphasis was on self-sufficiency: what it meant, why it was important, and how it could be achieved. (The SSP Plus job club also went by the name "Steps to Self-Sufficiency.")

The goal of the SSP Plus job club was to "produce persons who are not only motivated to accept employment, *but are successful in the employment they find*" [emphasis added].[2] In addition to standard job club material (how to find job leads, approach employers, use résumés, fill out applications, and behave at interviews), the club included several segments on how to succeed after an offer of employment was accepted: how to negotiate hours, prepare for a first day on the job, manage child care and transportation arrangements, deal with stress, and avoid conflict with supervisors and co-workers.

[1] Price, 1996, p. 10.
[2] Price, 1996, p. 10.

Figure 2.3: A Sample SSP Plus Resumé

Jane Smith

(506) 333-3333
(506) 333-0333 (messages)

1234 Coal Street
Somewhere, NB
E1V 1V0

STRENGTHS

- Excellent people skills; bilingual
- Adapt well to change; flexible; teamplayer
- Persistent, hard working, high level of energy and a positive thinker
- Diplomatic problem solver; assertive

SKILLS

Interpersonal/Communication

- Easily interact with people
- Solve problems quickly and fairly
- Provide top service with a smile to customers in a busy environment
- Cooperate with coworkers in a team environment
- Directed and supervised a group of 19 employees
- Maintain sense of humour in high stress situations

Physical Adeptness

- Proven ability to work long hours in adverse weather
- Manual dexterity to operate machinery
- Able to handle multiple tasks; strong organizational skills
- Able to work quickly, independently and withstand routine duties

EMPLOYMENT HISTORY

Customer Service Representative
ABC Call Centre
Somewhere, NB Present

Cleaner
Maid Service
Somewhere, NB 1998

Customer Service/Cashier
Picasso's Pizzeria
Somewhere, NB, 1998

Production Line Worker
Good Foods Ltd.
Somewhere, NB, 1996-1998

Production Line Worker
Fancy Bakery
Somewhere, NB, 1996

Sales Associate
Bargainway
Somewhere,NB, 1996

Ground Maintenance
NB Power
Somewhere, NB, 1994-1995

Assembly Line Worker
Personnel Agency
Somewhere, NB, 1994

Store Clerk
MHT Variety
Somewhere,NB, 1994,

EDUCATION

Keyboarding; Introduction to WordPerfect 5.1
NBCC Somewhere, NB 1995

Academic Development Program
NBCC Somewhere, NB 1994

References available on request

Note: Name, address and other information as desired.

SSP Plus staff thought it was important to keep participants up and energized — excited about work and feeling good about themselves. They got things moving quickly and engaged program group members in a variety of dramatic presentations and hands-on exercises. According to focus group participants, every day brought something new and different (for example, role-playing, videotaping, or question-and-answer sessions), and there was rarely a dull moment.

Program group members spent several hours each day working together, and they were able to offer each other a significant amount of informal support and camaraderie: "Every morning there's a 20-minute session, you could say what you did the night before, or something, and it was funny, share a joke, or whatever." As a result, SSP Plus club members did not feel isolated or "singled out . . . like everybody is looking at you," as they had in clubs where they'd been left alone to complete assigned exercises or pressured to get immediate results, where "It was just go in, 'Get on the phone, what are you doing? You're not doing anything!'"[7]

One-quarter of the SSP Plus program group (25 percent) attended an SSP Plus job club. Almost twice as many supplement takers (32 percent) as non-takers (18 percent) attended one (see Table 2.8).

Although SSP Plus program staff initially planned to hold a two-week job club every six weeks in each of three cities, collective demand for the club was not as high as expected, so modifications were made to both club content and schedule. Full-length job clubs were actually held only a handful of times. They were replaced by "mini-clubs," which met for one day or two, or for as long as a week, depending on staff availability and participant interest.[8]

More than one dozen SSP Plus job clubs or mini-clubs were held in 1995; less than a half dozen were held in 1996 and 1997 combined. As a result, after 1995, program group members who expressed interest in an SSP Plus job club could not always be accommodated. The vast majority of SSP Plus program group members who attended an SSP Plus job club attended in 1995. In 1996 and 1997, SSP Plus program staff referred some members of the SSP Plus program group to job clubs sponsored by Income Assistance, Canada Employment Centres, or other agencies.

Focus group participants gave a variety of reasons for passing up the SSP Plus job club. Some were already working when the job clubs were announced. Others were not convinced that they would learn anything new or worthwhile. Some reported difficulties finding reliable child care and transportation.[9] A few were simply afraid to come. According to one focus group participant:

> *When [SSP Plus staff member] told me that the class was two weeks long, one week of class and one week actually going out to try to find a job, that scared the living daylight out of me!*

[7] Some program group members had had earlier experience with (non-SSP Plus) job clubs that required participants to spend hours cold-calling employers from phone banks.

[8] Early in 1995, while full-length clubs were proceeding in the three major cities, staff had also travelled to the rural sections of New Brunswick's lower third to offer mini-clubs to program group members living there.

[9] SSP Plus program staff arranged for coverage of job club participants' child care and transportation costs, but some program group members reported difficulty finding reliable transportation or satisfactory child care.

Although most members of the SSP Plus program group did not participate in an SSP Plus job club, those who used the service had high praise for it (see Figure 2.4). Half the focus group participants who had attended an SSP Plus job club chose the club as the SSP Plus service they liked best. According to one SSP Plus club participant, program group members who had failed to attend "obviously didn't know how much fun it was going to be, and how much you'd learn from it, or they would have been there." Seventy-four program group members attended SSP Plus job clubs, and 48 of them (65 percent) took up the supplement. The take-up rate among program group members who did *not* attend an SSP job club was lower — 46 percent.

Figure 2.4: SSP Plus Job Club Flyer

HERE'S WHAT PARTICIPANTS
ARE SAYING ABOUT.....
"SSP JOB SEARCH CLUB"
The Steps to Self-Sufficiency
⇒ "I loved doing this and meeting new friends."
⇒ "I'm glad for the help."
⇒ "Very well done."
⇒ "It has helped me get organized and more motivated to find a job."
⇒ "Found it very informative."
⇒ "I gained more confidence in my job finding skills."
⇒ "Very informative, it gave us a lot of self-esteem and it also gave us the opportunity for friendship in the club."
⇒ "Out of the three I've attended, this is the best and the most informative."
⇒ "I learned so much about how to go about digging deep into finding work."

SSP Plus Workshops

Before, or shortly after, supplement take-up, program group members were invited to a self-esteem workshop. The purpose of the workshop was to "educate and encourage individuals to take responsibility for their own life change and the challenge of self-sufficiency."[1] Very few members of the SSP Plus program group (two percent) chose to attend a self-esteem workshop.[2]

SSP Plus program staff also organized workshops on a variety of special topics for supplement takers. These workshops were not designed or scheduled until SSP Plus was in full swing, and SSP Plus program staff had a better understanding of program group members' needs. Because of job loss among supplement takers, several of the workshops focused on job search.

"Back to Work." This workshop targeted supplement takers who had lost their jobs. The purpose of the workshop was to "encourage [SSP] Plus participants to move quickly back into the workforce after job loss and to use whatever services are available." The workshop was also designed to "re-acquaint [participants] with the support and guidance available through their job coach."[3] Job-search methods and interview techniques were reviewed, and program group members were encouraged to contact their job coaches for updated resumes and employment plans.

"Better Paying Jobs." This workshop was open to all supplement takers, whether currently working or not.[3] SSP Plus staff presented information on employment opportunities with some of New Brunswick's largest employers.

Other Workshops. SSP Plus program staff occasionally organized workshops on other topics they thought would be of interest to supplement takers. Often the idea for a workshop would emerge as staff noticed that many of the people they were coaching were experiencing similar difficulties or were in need of similar information. These workshops were known to SSP Plus program staff as "refreshers," and they were marketed to participants by mail and phone under a variety of different names: "Career Day," "Job Club Reunion," and "Rediscovering Your Strengths."

PMIS records do not indicate how many program group members actually attended the above workshops. SSP Plus program operators report, however, that attendance was usually quite low.

SSP Plus Job Coaching and Job Leads

Employment plans and résumés were completed in a variety of ways: group information sessions, individual information sessions, and one-on-one phone or at-home conferences. Job clubs and other workshops were group events. The remainder of SSP Plus services were one-on-one activities that brought program group members into close contact with SSP Plus program staff. Several staff members were trained as job coaches, and they worked

[1] Price, 1995, p. 8.
[2] Price, 1996, p. 9.
[3] This particular workshop was held in the Moncton SSP office only.

individually with program group members on specific issues related to current or future employment opportunities.

The job coach functioned as program group members' primary liaison with the SSP Plus program, and her mandate was a broad one — "aggressively aid and abet [the program group member's] job search, by providing access to services, encouragement, reinforcement and discipline."[1] Job coach assignments were made immediately after first information sessions. All members of the SSP Plus program group received one. Some program group members were assigned to job coaches they knew — that is, job coaches who had led the information sessions they had attended. Others were not. Almost three-quarters (71 percent) of the SSP Plus program group received job coaching from their job coaches at least once (see Table 2.8).[2]

Job coaches were trained to job-coach program group members in three specific areas: job search, job retention, and job advancement. When program group members were looking for work, job coaches offered them both a quick review of essential techniques, and an opportunity to develop comprehensive, and appropriately personalized, job-search strategies. They prepared program group members for interviews, debriefed them afterwards, and tried to keep spirits up when offers of employment were not immediately forthcoming. After program group members found employment, job coaches focused on job retention — recommending child care providers and transportation services, relieving program group members' first-day jitters, and sharing tips for getting along with supervisors and co-workers. When appropriate, they also encouraged program group members to seek out increased opportunity with current employers (or new ones), and they advised program group members who sought raises or promotions.

The specific mix of job-search, job-retention, and job-advancement mentoring that program group members received after take-up was largely dependent on whether they were currently employed. SSP's Program Management Information System (PMIS) kept SSP Plus program staff up to date on job loss and enabled them to intervene very quickly when program group members found themselves without employment.

Job leavers. Job coaches encouraged job leavers to launch new job-search campaigns as soon as possible. They offered general refreshers on job-search techniques, and feedback on encounters with specific employers. They sent job leavers new job leads, and responded to requests for updated employment plans and resumés. Job leavers were also offered a sympathetic ear and some sound advice about how they might improve their chances of keeping the next job they found.

Job keepers at risk. Program group members who were currently employed, but having difficulty on the job, received a different kind of counsel. Job coaches were trained to

[1] Price (1995, p. 3).

[2] Although all of the job coach's activities were important ones, several of them did not fall into the category of "job coaching." Job coaching occurred only when job coaches worked one on one with program group members on employment-related issues of immediate and specific concern to them. Of course, job coaching could occur in connection with the completion of employment plans or the production of resumés, or other program-related tasks, and it often did. For instance, program group members who came in for new resumés received advice on how best to use them. Those who landed a job during the job club sometimes consulted with their job coach (or the job coach running the club) about negotiating a start date or weekly schedule. As will be discussed later, job coaching also occurred as an adjunct to the distribution of job leads.

respond to signs that things might be going awry at program group members' places of employment, and they tried to head off the kind of trouble that might result in resignation or dismissal. When a program group member's attitude seemed to be a problem, job coaches suggested improvement. When co-workers or supervisors were annoying or difficult, job coaches recommended coping techniques or methods of conflict management.

Sometimes program group members' jobs placed them in contact with employers who were dishonest or engaged in egregious employment practices. In cases like these, job coaches' hands were often tied. Usually, they could offer encouragement and help with a new job search, but little else. Job coaches referred program group members who found themselves in particularly dangerous or offensive situations to the local Labour Board or Human Rights Commission.[7]

Job keepers. Supplement takers who held onto the jobs with which they had originally taken up the supplement received a small push in the direction of better jobs and higher wages. Job coaches sent the currently employed "better-paying" job leads. They also talked to program group members about opportunities for advancement at their current places of employment, and suggested techniques for requesting raises and promotions.

Counselling the currently employed on advancement proved somewhat problematic. Several program participants told their job coaches: "There's no such thing as a raise where I am." Some program participants were afraid to take new jobs, even if they were better-paying, for fear that they would be unable to clock the 30 hours per week they needed to continue receiving the earnings supplement. Many program participants worked for an hourly wage, were subject to changing shifts, and able to achieve some stability in hours only by remaining in place long enough to gain a reasonable amount of seniority.

According to one focus group participant:

> *SSP staff told me, said to me, "Lynn, you're making [just] so much money, and you've got to move on" sort of thing. But I kept saying to them, like, I'm sort of afraid to move on, for the simple reason I've had friends of mine move on, thinking they're going to get another job and they're going to get all these hours. Well, they got a big mistake. . . . [I'm] afraid. Because I talked to a friend of mine, and her daughter is working for another company, and she was all hip and said, "Oh, Lynn, I'm getting 38 hours a week, 40 hours a week." And now it's like, she's getting no hours. So that's really scary, and that's why I kind of don't want to step out of my job. Like, I'm praying that they give us a raise.*

Most job coaching took place over the telephone. SSP Plus program staff had used the phone only as a last resort when explaining the earnings supplement, communicating information about SSP Plus services, or collecting information for a resume or employment plan. By contrast, job coaching was easily and effectively accomplished by phone. Telephoning allowed program group members to remain in continuous contact with staff and to receive counsel when they needed it most, such as the day before a big interview or after an argument with a co-worker. Moreover, after program group members became employed, it

[7] SSP Plus staff reported that the earnings supplement sometimes made jobs that other job seekers would not touch, because of low wages and poor working conditions, attractive to program group members.

became more and more difficult for most of them to stop by their SSP office, even though they were always free to do so without an appointment.

Job coaching was often combined with the distribution of job leads; a job coach who called a program group member with a new job lead would inevitably offer some advice about how to pursue the lead or use the opportunity to check on the program group member's job-search progress. Approximately 60 percent of the SSP Plus program group received at least one job lead. While three-quarters (75 percent) of supplement takers received at least one job lead, fewer than half (48 percent) of non-takers did (see Table 2.8).[7]

SSP Plus program designers anticipated that job coaches would generate job leads by "call[ing] every identifiable employer in a specific industry . . . contact[ing] all newly registered businesses . . . [and] obtain[ing] mailing lists from industry associations."[8] In practice, job coaches used these methods and a variety of others to locate job leads. They investigated every piece of relevant local news, no matter how small, that could conceivably produce employment for an SSP Plus program group member, often stopping en route to a home visit or other appointment to investigate new construction or check for "help wanted" signs in nearby shopping malls. SSP's office managers (who functioned as job coaches, too) stopped at local Canada Employment Centres to pick up fresh job leads every morning. Other job leads arrived in SSP offices in the form of written advertisements or classified ads.

SSP Plus program design mandated the distribution of job leads not only to program group members who had not yet found full-time employment, but also to those who had taken up the supplement and left their jobs or been laid off or fired. Leads to better-paying jobs were also sent to supplement takers who were currently employed. Newly discovered job leads were never held back for the exclusive use of specific individuals. They were immediately passed on to other job coaches and interested program group members. SSP Plus program staff preferred phone contact to mailings, because it helped them "build trust," so the majority of leads went out by phone. Some leads were relayed in person (see Table 2.8). Job leads were also posted on "job boards" set up in each SSP office in the fall of 1995.

Central to SSP Plus philosophy and practice was the belief that program group members should be encouraged to take responsibility for their own futures. Program group members were therefore reminded that they could produce job leads for themselves and for other members of the SSP Plus program group by talking to family, friends, and neighbours; checking classified ads; using the Yellow Pages; enquiring about "help wanted" signs; and calling Canada Employment Centres. It was not unusual for employed members of the program group to call in with job leads for others when additional opportunities opened up at their place of employment or they left their current positions for something better, and doing so was a source of pride.

SSP Plus program staff also distributed lists of employers who might be good bets, complete with contact information, position descriptions, likely wage rates, and necessary qualifications. At the end of 1996, staff began reaching out to New Brunswick's large

[7] SSP Plus program staff estimate that one out of every three jobs that program group members obtained was the result of an SSP Plus job lead.

[8] Price, 1995, p. 8.

[9] These leads were available to all members of the Moncton and Saint John communities, a provincial initiative had placed kiosks in local grocery and corner stores through which job seekers could electronically access job leads.

employers, but this effort produced disappointingly few leads. Jobs with these employers were in high demand, and personnel officers, reporting an overflow of résumés already received, would not give members of the SSP Plus program group special consideration. SSP Plus program staff continued to make cold calls to smaller employers.

As previously noted, the distribution of job leads was often combined with job coaching. Indeed, job coaching seemed to work best when it was offered in conjunction with a job lead and preceded by some training in job-search techniques (through a job club or other means). The combined effect of all three of these SSP Plus services is illustrated in the following anecdote:

> *There was a death in my family, and this A & W position came out on Friday. I had to leave Friday morning and I didn't get to see the job line. So Monday morning I went to see [Jane], and I said: "My job's gone, [Jane], I came back and there's no job." And she said "Janet, you're so positive." And I was there with her about 20 minutes, and she says, "Just try this A & W thing, I don't know if you can still get an interview. . . ." I called about the interview, and the lady doing the interview said, "I'm sorry, I have no more spaces." I said, "Gee, that's too bad. I know I'd be a great asset to your team." [She said]: "Oh really?" [I said]: "Yes. Just let me come and meet you, and you'll see." She hired me within 5 minutes.*

How frequently did program group members who received job coaching talk with their job coaches? Job coaches strove for regular contact. They needed to be in a position to offer information or advice when it was most needed. Although program group members were free to request job coaching or initiate a job coach contact by picking up the phone and calling their SSP office, sometimes they were too timid, embarrassed, upset, or angry to do so. It was therefore up to job coaches and other SSP Plus program staff to keep up with program group members and volunteer their help when they sensed a problem or an opportunity. Job coaches also needed to know enough about program group members' individual situations to be on target with their suggestions and establish the kind of rapport that would ensure their input a positive reception.

When program group members welcomed it, job coaching resembled an "intense case management service,"[7] and the job coach functioned as the "counsellor, advisor, advocate, and motivator" envisioned by the program's designers.[8] In accordance with SSP Plus philosophy, however, SSP Plus program staff did not pursue program group members who expressed a definite preference for limited contact.

Job coaches made a conscious effort to step-up contact with program group members *after* they found employment.[9] For instance, every newly employed supplement taker was scheduled to receive a "Congratulations!" card as soon as she found employment, and a check-in call from her coach after one week on the job and every month for three months.

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[7] Price, 1995, p. 8.

[8] Price, 1995, p. 3.

[9] The job coaching contact field was not added to the PMIS until fall 1995, almost one year after random assignment began. The late addition of this field to the PMIS reflects the fact that job coaching did not begin in earnest until SSP Plus program staff had completed information sessions, money management workshops, and job clubs for most program group members.

thereafter. After three months, some supplement takers continued to receive monthly calls from their job coaches. (Takers also received brightly coloured flyers congratulating them on 30, 60, 90, and 120 days of continuous employment.)

As a result of the "push" that job coaches made after supplement take-up, supplement takers received more job coaching and job leads than non-takers. Among takers, 94 percent received at least one job coach or job lead contact; among non-takers, the figure was 61 percent (not shown in Table 2.8). Many program group members received a job-coaching or job-lead contact for the very first time after they took up the supplement (see Table 2.11).

Table 2.11: Distribution of Job Coaching or Job Lead Contacts Among Supplement Takers by Phase of Program Participation

Phase of Program Participation (%)	Received Job Coaching or Job Lead[a]
Before supplement take-up only	6.8
After supplement take-up only	63.1
Both before and after supplement take-up	30.1
Sample size (total = 103)	

Source: Calculations from SSP's Program Management Information System (PMIS).

Notes: [illegible]

Between the first information session and supplement take-up (or close of the 12-month window), almost half (43 percent) of the SSP Plus program group was contacted at least once by a job coach for the purpose of job coaching or distribution of a job lead. During this period, fewer supplement takers than non-takers were contacted. One quarter (26 percent) of takers were contacted, whereas almost two-thirds (60 percent) of non-takers were. (These figures do not appear in a table.)

Program group members who were contacted, both takers and non-takers, received an average of 0.3 job-coaching or job-lead contacts per month before take-up (for takers) or the close of the 12-month window (for non-takers) (see Table 2.12). Very few program group members (14 percent) received more than six job-coaching or job-lead contacts (see Table 2.13).

After supplement take-up, approximately two-thirds (64 percent) of supplement takers were contacted at least once by a job coach for the purpose of job coaching or distribution of a job lead. The average number of monthly contacts was 0.5, or one contact every two months, for a total of six contacts during the 12-month period following take-up. Over one-quarter (28 percent) of takers received more than six job-coaching or job-lead contacts after take-up. (See Tables 2.12 and 2.13.)

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Table 2.12: Average Number of Job Coaching or Job Lead Contacts with Supplement Takers and Non-Takers

Average Number of Contacts	Takers Prior to Supplement Take-Up	Non-Takers Prior to Close of 12-Month Window	Takers in the 12 Months Following Take-Up
Contacts per month	0.3	0.3	0.5
Total contacts	3.6	3.6	5.7
Sample size	38	86	96

Source: Calculations from SSP's Program Management Information System (PMIS).

Notes: Contacts include job coaching calls and conferences and job lead calls, conferences and referrals.

Multiple contacts in a single day are counted as one.

Table includes all SSP Plus program group members who attended a first information session and were contacted by SSP staff or a job coach or received at least one job lead, and all takers for whom a supplement take-up date was recorded.

Takers are those program group members who qualified for the supplement before the close of the one-year take-up window and received at least one supplement payment. Non-takers are those program group members who never received a supplement payment.

Table 2.13: Distribution of Job Coaching or Job Lead Contacts with Supplement Takers and Non-Takers

Number of Job Coaching or Job Lead Contacts Received	Takers Prior to Supplement Take-Up		Non-Takers Prior to Close of 12-Month Window		Takers in the 12 Months Following Take-Up	
	Percent	Number	Percent	Number	Percent	Number
1-3	60.5	23	57.0	49	50.0	48
4-6	26.3	10	29.1	25	21.9	21
7-9	7.9	3	14.0	12	10.4	10
10+	5.3	2	0.0	0	17.7	17
Sample size		38		86		96

Source: Calculations from SSP's Program Management Information System (PMIS).

Notes: Contacts include job coaching calls and conferences and job lead calls, conferences and referrals.

Multiple contacts in a single day are counted as one.

Table includes all SSP Plus program group members who attended a first information session and were contacted by SSP staff or a job coach or received at least one job lead, and all takers for whom a supplement take-up date was recorded.

Takers are those program group members who qualified for the supplement before the close of the one-year take-up window and received at least one supplement payment. Non-takers are those program group members who never received a supplement payment.

Although the job-coaching rates presented in Tables 2.12 and 2.13 are not extraordinarily high, their effectiveness was enhanced by the fact that they occurred in a contact-rich environment. As was noted earlier in the chapter, job coaches were in touch with program group members for reasons other than job coaching; almost every member of the SSP Plus program group was contacted at least once by a job coach or other member of SSP Plus program staff. When *all* pre- and post-take-up contacts are considered, contact levels increase significantly, as can be seen in Table 2.14.

Supplement takers received about the same total number of contacts before take-up as non-takers received before the close of the 12-month window. Because the period prior to take-up was generally less than 12 months, this means that supplement takers were contacted more frequently than non-takers. Supplement takers who were contacted averaged three contacts per month; non-takers averaged less than two.

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Table 2.14: Average Number of SSP Plus and Regular SSP Contacts with Supplement Takers and Non-Takers

Average Number of Contacts	Takers Prior to Supplement Take-Up		Non-Takers Prior to Close of 12-Month Window		Takers in the 12 Months Following Take-Up	
	SSP Plus	Regular SSP	SSP Plus	Regular SSP	SSP Plus	Regular SSP
Contacts per month	2.8	1.7	1.4	0.8	2.3	1.5
Total contacts	10.5	8.3	16.0	8.7	27.1	17.9
Sample size	141	95	138	188	145	99

Source: [illegible]

Notes: [illegible]

Focus group participants spoke favourably about the personal support and encouragement they had received from their job coaches and other SSP Plus program staff. (One focus group participant referred to her job coach as her "guardian angel.") Job coaches safeguarded against the development of co-dependent relationships with particular program group members by taking an active interest in all members of the SSP Plus program group, even those to whom they had not been assigned. The relationship job coaches formed with the program group members who had been formally assigned to them was personal and important, but it was not exclusive. Program group members who telephoned or dropped by the SSP office when their own job coach was out of the office or busy with other program participants received service from any job coach who was present. Staff changes sometimes required reassignment of program group members to new job coaches in any case.

The SSP Plus program group was small enough to ensure that every staff member was at least somewhat familiar with the details of each program group member's case. SSP Plus program staff often spoke informally with one another about how the job searches of particular program group members were proceeding, and when a program group member who had been having a particularly difficult time landed a job that enabled her to take up the supplement, her job coach often shared this good news with other job coaches.[1] Every job coach had access to the PMIS, which contained all records relating to individual program group members' program participation.

Few program group members objected to interacting with more than one job coach. One focus group participant noted that although the "one-on-one" was great, "they are all pretty good there." Another focus group participant, however, felt differently:

> *I find the girls [the SSP Plus job coaches] should be there when we start, they should stop when we stop, instead of halfway through. We get to an*

[1] Once [illegible] in the two different SSP offices [illegible] Most [illegible] also became familiar with SSP Plus program group members [illegible] data collection. The two office managers began [illegible] by telephone in the fall of 1992, and every week or two they [illegible] the progress being made by individual program group members.

appointment we get, not [just] friendly, we're dependent on them. And then all of a sudden they're gone, and you're pushed onto another person instead.

When SSP Plus program staff met with program group members who faced barriers to employment that were of a serious personal nature (for example, substance abuse, domestic violence, or emotional disorders), they stopped short of providing anything that might be construed as therapy. Instead, they referred program group members in need to appropriate outside agencies.[7]

Overall Response to SSP Plus

SSP Plus program staff offered members of the SSP Plus program group a variety of job search, job retention, and job-advancement services, and they convinced the vast majority to take advantage of one or more services. Key findings regarding individual services are as follows:

- Although almost every member of the SSP Plus program group completed an employment plan, the plan did not seem to significantly influence program group members' desire or ability to find work.
- The resume service was very popular. It was used by a majority of program group members, and it had both practical and psychological benefits. Program group members reported that their SSP Plus resumes were effective job-search tools. Resume completion also seemed to raise program group members' self-esteem and increase their self-confidence.
- SSP Plus program staff convinced a fair number of program group members to attend the SSP Plus job club. Approximately two-thirds of those who attended the club took up the supplement.
- Many members of the SSP Plus program group received job coaching and job leads before and after supplement take-up. Program group members used the leads they were given, and some took up the supplement with jobs they had found through an SSP Plus lead. Program group members were impressed by the personal attention they received from job coaches.

As Table 2.8 shows, there were large differences in the rates at which supplement takers and non-takers used SSP Plus services. In all cases, supplement takers took greater advantage of the services offered than did non-takers. At first glance, the implication is that SSP Plus service use increased program group members' desire and ability to find full-time employment and participate in the earnings supplement program. However, it is also likely that program group members who were more intent on taking up the supplement pursued SSP Plus services more aggressively.

Differences in service use between takers and non-takers varied. Differences were smaller in areas in which SSP Plus program staff were mandated to reach everyone or almost everyone (for example, completion of the employment plan) and larger in areas that required

[7] On the 18-month follow-up survey, approximately one-quarter (27 percent) of the SSP Plus program group reported receiving counselling for personal problems within the last year.

program group members to show more initiative (for example, the résumé service and job club). The largest difference in service use between takers and non-takers occurred in the area of job coaching. This difference does not "prove," however, that job coaching or the lack thereof was the most important service factor influencing program group members' decision to take up the supplement or not. In part, supplement takers received more job coaching than non-takers because job coaches increased their job coaching activity *after* program group members took it up. This intensification of job-coaching activity after supplement take-up demonstrates that the SSP Plus program was genuinely composed of both job-search and job-retention and advancement components.

Members of the SSP Plus program group spoke highly of the specific SSP Plus services they had used. During focus groups, participants were also asked to evaluate the SSP Plus service package as a whole. Comments were prompted by an exercise that required focus group participants to plot on a two-axis graph their answers to two questions: "How helpful or unhelpful were Plus services? How good or bad did Plus services make you feel?" Almost all 35 focus group participants spoke in very positive terms about the helpfulness of the services they had been offered by SSP Plus. They also reported that SSP Plus services had made them "feel good" (see Figure 2.5).

Figure 2.5: Assessment of SSP Plus Services by Focus Group Participants — Takers and Non-Takers

Positive statements about SSP Plus services were made by both takers and non-takers. It might be expected that program group members who took up the supplement and therefore experienced a significant improvement in income would recall every aspect of the SSP Plus program with satisfaction; it is less likely that program group members who were not enjoying the supplement's financial benefits would respond this way. Indeed, it is easy to imagine that program group members who had missed out on the supplement opportunity, despite initial interest in it, might attribute at least part of their failure to take it up to problems they had experienced with SSP Plus services. This was not, however, the case.

Focus group participants who had taken up the earnings supplement were particularly enthusiastic about SSP Plus services. The majority felt that the services provided had been extremely helpful. Many characterized their evaluation of SSP Plus services as "way up [there]. . . . right off the chart . . . the best . . . as high as you can [put] them" (see Figure 2.6). Non-takers were only somewhat less favourably impressed with SSP Plus services. The majority of non-takers described the services they'd used as "great . . . really helpful . . . very helpful." A minority thought services were "pretty good" or "somewhat helpful," and a very few considered them "slightly helpful" or just "a bit helpful" (see Figure 2.7).

Figure 2.6: Assessment of SSP Plus Services by Focus Group Participants — Takers

Figure 2.7: Assessment of SSP Plus Services by Focus Group Participants — Non-Takers

Focus group participants whose evaluations of SSP Plus services were only modestly positive explained that services were of generally limited value to them either because they were already working when they heard about the supplement opportunity or because they knew quite a lot about job-search techniques (having picked up this knowledge while actually looking for work or through training obtained elsewhere).

Chapter 3:
Supplement Take-Up in SSP Plus

Chapter 2 established that the SSP Plus program was successfully implemented. In comparison with regular SSP program group members, SSP Plus program group members were more likely to receive job-search services and had more contact with SSP staff. Furthermore, comments by program group members suggest that the services offered by the SSP Plus program were qualitatively different from services offered elsewhere. This chapter examines the question of whether the additional services and additional contact received by SSP Plus program group members translated into higher supplement take-up or receipt rates.

Program group members contemplating the supplement offer had to consider carefully the implications for their families. Full-time work, together with the supplement, would improve their economic circumstances and could offer other rewards such as a greater sense of being able to provide for their families. At the same time, almost all of them would need to arrange some form of child care and substantially reduce the time they spent with their families in order to go to work full time outside the home. Moreover, it was not always easy to find work and keep it, especially for those who had been out of the labour force for some time. Because of these barriers to work, some people would need help if they were to be able to take up the supplement offer.

With the financial incentive alone, the highest take-up rates were observed for people who were better educated or who were already working at the time they received the supplement offer. In order to encourage additional people to take up the supplement and maintain full-time work, the SSP Plus program services would have to reach deeper into the queue of long-term Income Assistance (IA) recipients to help those with barriers find work. Was the program up to the task?

The answer is yes. Over one-half the SSP Plus program group took up the supplement offer. In just a 12-month period, the addition of job-search and other services to the financial incentive produced a 17 percentage-point increase in the supplement take-up rate. The 51.7 percent take-up rate among SSP Plus program group members (and even the 34.7 percent take-up rate among the regular SSP program group) is especially large considering the population from which the group was drawn. SSP Plus program group members were selected from a population of single parents who had been receiving Income Assistance for at least 11 of the previous 12 months. This is a population that traditionally has very low employment rates. At random assignment, just eight percent of the report sample were working full time. Fewer than 25 percent of control group members worked full time at some point during the 12 months following random assignment. To achieve a take-up rate of over 50 percent, the SSP Plus program had to convince a lot of people to work full time.

Most supplement takers, after beginning supplement receipt, experienced one or more months in which they either could not meet or chose not to meet SSP's requirement to work at least 30 hours per week. As a result, in any given month the percentage of sample members who received supplement payments was less than the percentage who took up the supplement

offer.[1] The effect of SSP Plus on monthly supplement receipt was modest relative to its effects on supplement take-up. In most months, SSP Plus increased the percentage of sample members who received supplement payments, but the magnitude of the increase fluctuated from month to month and was statistically insignificant in many months. The effect of SSP Plus on supplement receipt was largest in the fifteenth month of the follow-up period, when 33 percent of SSP Plus program group members and 24 percent of regular SSP program group members received supplement payments. SSP Plus had no measurable effect on the percentage of sample members who maintained continuous supplement receipt. It appears that the additional supplement takers in the SSP Plus program group had difficulty keeping up full-time work.

Although many of the additional supplement takers did not maintain supplement receipt, it is important not to underestimate the significance of supplement take-up. Once a program group member has taken up the supplement offer, she is eligible to receive supplement payments whenever she works full time in the following three years; thus the financial incentive to work full time remains in effect during this time. If a sample member has not taken up the supplement offer within the one-year take-up window, she is ineligible to receive supplement payments for the remainder of the study. The additional take-up among SSP Plus program group members therefore leaves open the possibility that higher supplement receipt, and consequently higher full-time employment rates, could be observed among the SSP Plus program group in follow-up periods beyond the 18 months reported in the present study, if people who lost jobs find new ones.

The remainder of this chapter is organized as follows. The first section examines the differences in supplement take-up between the SSP Plus and regular SSP program groups. The second section presents a characterization of the additional supplement takers in the SSP Plus program group. The third section looks at the jobs obtained by supplement takers. The fourth section compares the pattern of supplement receipt in the SSP Plus program group with the pattern of receipt in the regular SSP program group. In the final section, people in the two program groups who did not take up the supplement offer are compared.

TAKING UP THE SUPPLEMENT OFFER

Definition of Supplement Take-Up

Once an IA recipient was selected to join the SSP Plus or regular SSP program group, she was informed that if she found full-time work within the next 12 months she could sign up for the supplement. If she did not sign up within 12 months, she became ineligible for the supplement. The 12-month period in which program group members could qualify for the supplement is referred to as the "one-year take-up window." Program group members are

[1] Supplement eligibility is based on the earnings received during 1 four-week or monthly accounting period. People who are paid weekly or biweekly are in a four-week accounting period. People who are paid semi-monthly or monthly are in a monthly accounting period. Program group members qualify for supplement payments in a given accounting period if they work an average of at least 30 hours per week during the period. If the supplement taker does not work the entire period because of starting or ending a job, her supplement is prorated according to the number of days she works during the period.

said to "take up" the supplement when they successfully qualify for it. Program group members who took up the supplement are called "supplement takers."

The Economic Setting for the SSP Plus Study

Sample members were recruited for the SSP Plus study and randomly assigned between November 1994 and March 1995. The period studied in this report consists roughly of the 18 months following random assignment. For the earliest sample members randomly assigned, the period studied is roughly November 1994 to April 1996; for those randomly assigned last, the period studied is roughly March 1995 to August 1996.

Table 3.1 provides some information about labour market conditions in the two primary areas of New Brunswick served by SSP — Moncton and Saint John — and the province as a whole. Information for Canada is provided as a comparison. Sample members were offered the supplement at a time when the economy was in the midst of a slow recovery from a recession that hit Canada in the early 1990s. The unemployment rate in New Brunswick was on the decline in 1994 and 1995. In 1996 the unemployment rate in New Brunswick went up, and by 1997 it was at the same rate as in 1992. In contrast, the unemployment rate for Canada as a whole decreased in every year from 1992 to 1997. The better the labour market, the easier it should be for program group members to take advantage of the supplement offer. It is not clear, however, how the state of the labour market would affect the impacts of SSP Plus on supplement take-up, since members of the SSP Plus and regular SSP program groups faced the same labour market.

Several aspects of the labour market may mitigate against large impacts from the addition of services to the financial incentive.[2] People with lower levels of education fared worse than those with higher levels of education. In 1996, the overall unemployment rate in New Brunswick was 11.7 percent. The unemployment rate among people with less than a grade 9 education was 17.2 percent; and among people with a grade 9 to grade 12 education it was 14.5 percent. Over 90 percent of the report sample had a grade 12 education or lower. To the extent that there is a shortage of jobs requiring no more than low levels of education, it may be difficult for SSP Plus to increase employment among long-term welfare recipients beyond what was achieved by the regular SSP program.

Furthermore, about half of the labour force in New Brunswick was employed part time or for only part of the year in 1996. There has been an increase in part-time jobs and hence part-time employment over the past two decades. The increase was especially sharp starting in 1989. From 1989 to 1995 the number of part-time workers in New Brunswick increased by 6,000, whereas the number of full-time workers fell by 1,000. A growing proportion of part-time employment is involuntary; whereas in 1976 14 percent of part-time workers would have preferred full-time jobs, by 1995 that figure was 45 percent. The greater the shortage of full-time jobs, the more difficult it may be for SSP Plus to increase supplement take-up over the take-up rate of the regular SSP program group.

[2] This discussion draws from observations about the economy in New Brunswick that appeared in Leblanc, 1997.

Table 3.1: Economic Conditions in the Areas Served by SSP and in Canada

Characteristic	Moncton[a]	Saint John[a]	New Brunswick	Canada
Unemployment rate (%)[b]				
1992	–	11.5	12.8	11.3
1993	–	10.4	12.5	11.2
1994	–	12.3	12.5	10.4
1995	–	10.3	11.5	9.5
1996	9.7	12.2	11.7	9.7
1997	–	12.7	12.8	9.2
Labour force status[c]				
Worked full year, full time				
Persons with employment income (%)	51.2	52.6	43.5	50.1
Average employment income ($)	33,676	35,037	32,865	37,556
Worked part of year or part time				
Persons with employment income (%)	46.3	47.2	53.7	47.0
Average employment income ($)	12,625	13,430	12,402	15,538
Employment by type of occupation (%)[c]				
Management	8.8	7.9	7.5	9.0
Business, finance, and administration	21.8	19.5	16.5	19.0
Natural and applied sciences	3.9	4.0	3.7	5.0
Health	6.3	6.2	5.4	5.0
Social sciences, education, and government	7.3	6.6	6.8	6.8
Art, culture, recreation, and sport	2.7	2.2	2.0	2.7
Sales and services	28.8	28.8	27.1	26.0
Trades, transport, and equipment operators	14.7	17.4	17.2	14.1
Primary industries (agriculture, forestry, etc.)	1.5	2.3	6.2	4.8
Processing and manufacturing	4.2	4.9	7.5	7.6
Average wage for all employees paid by the hour ($/hr.)[d]				
1994	–	–	12.22	14.69
1995	–	–	12.24	14.57
1996	–	–	12.43	14.71

Source: [illegible]

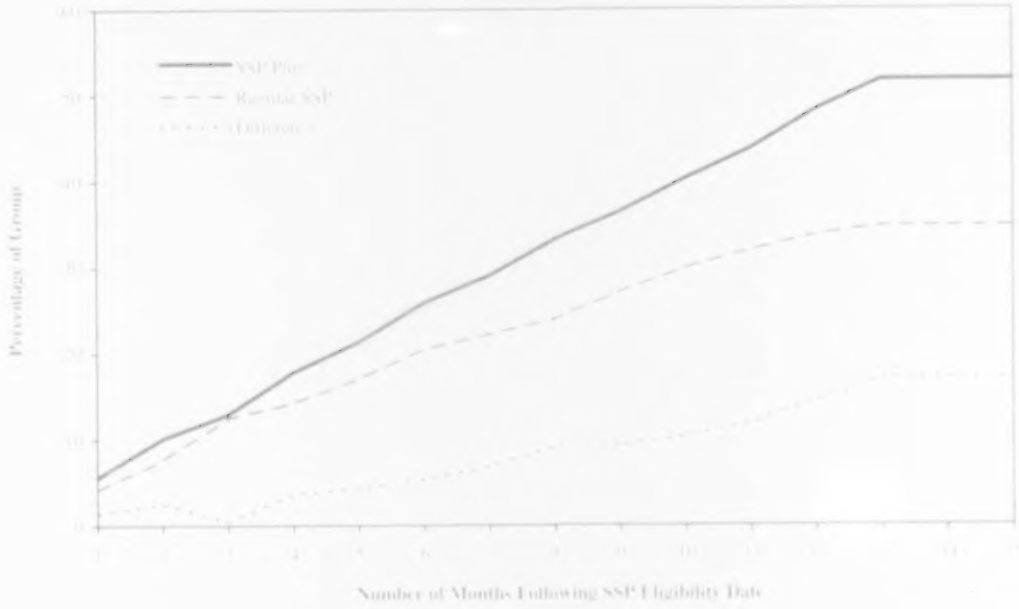
Notes: [illegible]

Effects of Added Services on Take-Up Rates

In addition to being offered an income supplement if they worked full time, members of the SSP Plus program group also received offers of help in finding and securing jobs through job-search clubs, résumé preparation, and one-on-one job coaching. Because people were randomly assigned to the SSP Plus and regular SSP program groups, the difference in take-up rates between the two groups can be attributed to the addition of SSP Plus services to the SSP financial incentive.

Despite the relatively high unemployment rate among the less educated and the growing proportion of part-time employment that is involuntary, the impact of SSP Plus on supplement take-up was statistically significant and large. SSP Plus had a supplement take-up rate nearly 50 percent higher than the take-up rate observed for regular SSP program group members. As Figure 3.1 illustrates, for the first three months of SSP eligibility, the cumulative supplement take-up rates in the SSP Plus program group were similar to the cumulative take-up rates in the regular SSP program group. Starting in the fourth month of SSP eligibility, however, the effects of adding SSP Plus services to the SSP financial incentive started to be felt, and the cumulative supplement take-up rates of the two groups began to diverge.

Figure 3.1: Cumulative Rate of Taking Up the Supplement by Months Following Supplement Eligibility



Source: Calculations based on data drawn directly from SSP's Program Management Information System (PMIS).

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Job search takes time; therefore the effects of job-search services would naturally take time to be seen. The gap in supplement take-up rates continued to widen fairly steadily until the end of the one-year take-up window, indicating that program staff were able to get additional people in the SSP Plus program group to take up the supplement throughout the take-up period. Thirteen months after being presented with the supplement offer, more than half the SSP Plus program group members had taken up the supplement offer, compared with only a little more than one-third of the regular SSP program group.[1] This additional percentage of people who took up the supplement offer in the SSP Plus program group is referred to as the "additional supplement takers." It represents those who would not have taken up the supplement if offered the financial incentive alone.

SUBGROUP ANALYSIS OF SUPPLEMENT TAKE-UP

The addition of SSP Plus services may not affect all sample members equally. SSP Plus services may increase the take-up rates for some groups but not others. Of particular interest is the extent to which the addition of SSP Plus services helped people who were less job-ready or who had more employment barriers to take up the supplement offer. This section characterizes the additional supplement takers by comparing the impacts on take-up rates for various subgroups.

The subgroups examined fall roughly into three major groups, categorized by job-readiness, barriers to employment, and attitudes toward family and work. The subgroups are determined by information collected at the baseline interview, which occurred just before random assignment. The results of the subgroup analysis of supplement take-up are shown in Table 3.2.[2] For each subgroup the table shows the sample size; the take-up rate for SSP Plus program group members in the subgroup; the take-up rate for regular SSP group members in the subgroup; the difference between SSP Plus and regular SSP program group take-up rates, with asterisks if the difference is statistically significant; and the standard error of the estimated impact (in parentheses). The take-up rate for regular SSP program group members in the subgroup provides an estimate of the take-up rate for the subgroup when offered the financial incentive alone. The difference in take-up rates between SSP Plus and regular SSP program group members in the subgroup provides an estimate of the impact on supplement take-up from adding SSP Plus services to the financial incentive.

Table 3.2: SSP Plus Impacts on Supplement Take-Up Rate, by Subgroup

Subgroup	Sample Size (1)	Supplement Take-Up Rate (%) SSP Plus Program Group (2)	Regular SSP Program Group (3)	Difference (Impact) (4)	Standard Error (5)	Significance of Variation in Impacts (6)
Job readiness						
Work experience						n.s.
Never worked	59	25.0	11.1	13.9	(10.2)	
Less than 5 years	211	48.1	23.3	24.8 ***	(6.4)	
5 or more years	302	60.2	46.5	14.2 **	(5.7)	
Employment status at random assignment						n.s.
Full time	43	62.5	63.2	-0.7	(15.2)	
Part time	78	73.7	57.5	16.2	(10.8)	
Not employed - looking for work	137	62.2	41.3	20.9 **	(8.4)	
Neither employed nor looking for work	314	39.3	23.2	16.2 ***	(5.2)	
Highest grade completed						n.s.
Grade 8 or less	176	25.3	20.4	4.9	(6.4)	
Grade 10 or 11	126	53.3	30.3	23.0 ***	(8.6)	
Grade 12	221	65.2	45.3	19.9 ***	(6.6)	
Grade 13 or higher	51	71.4	56.5	14.9	(13.6)	
Income, Residence in high- and low-AFDC area						n.s.
$0-$3 monthly	117	54.1	42.9	11.2	(9.3)	
$4-$8 monthly	207	56.8	39.8	16.0 **	(6.9)	
$9+ monthly	250	42.1	27.1	20.0 ***	(6.0)	
Barriers to employment						
Had a job search limit due to family child care						n.s.
Yes	88	55.8	38.2	17.6 **	(9.0)	
No	76	43.6	33.5	10.1 ***	(10.6)	
No child care needed	113	42.0	36.3	5.6	(9.4)	
Has been physically restrained from finding work						n.s.
Yes	143	36.6	31.9	4.7	(8.6)	
No	430	58.7	38.6	20.0 ***	(4.7)	
Current work limitation, by history of disability						n.s.
Yes	73	37.6	33.3	4.3	(8.2)	
No	501	54.8	32.1	19.8 ***	(5.0)	
Working-limitation subgroup	531	53.4	53.1	10.0	(8.7)	

(continued)

Table 3.2: SSP Plus Impacts on Supplement Take-Up Rate, by Subgroup (Cont'd)

Subgroup	Sample Size (1)	Supplement Take-Up Rate (%) SSP Plus Program Group (2)	Regular SSP Program Group (3)	Difference (Impact) (4)	Standard Error (5)	Significance of Variation in Impacts (6)
Could not work because of personal or family responsibilities						
Yes	66	53.1	14.7	38.4 ***	(10.8)	0.5
No	386	45.5	30.8	14.8 ***	(4.9)	
Working question skipped	121	69.4	59.3	10.0	(8.7)	
Attitudes toward family and work						
Children should go to day care or pre-school learn more						
than children who stay home with their parent						0.5
Agree	318	50.8	29.9	20.7 ***	(5.4)	
Disagree	256	53.8	39.6	14.0 **	(6.2)	
I don't get what a child has since I would miss my						
child just to work						*
Agree	51	43.5	3.6	39.9 ***	(10.3)	
Disagree	523	52.5	38.1	14.4 ***	(4.3)	
Right now I'd prefer not to work so I can take						
care of my family full time						**
Agree	153	47.3	16.5	30.8 ***	(7.1)	
Disagree	421	53.3	41.6	11.7 **	(4.8)	

Sources: [illegible] and tabulations of data from SSP's Program Management Information System (PMIS).

Notes: [illegible]

[illegible]

[illegible]

[

In trying to determine whether impacts are larger for certain subgroups than for others, it is important to note that estimated impacts could differ by subgroup simply by chance. A statistical test (the F-test) was performed to determine whether differences between related subgroups (for example, the four subgroups defined by educational attainment) can be regarded as evidence that impacts actually differed across the subgroups. The results of the test are shown in the far right column of Table 3.2. The abbreviation "n.s." (not significant) indicates that the variation in estimated impacts is not statistically significant — that is, the observed subgroup differences could easily be due to chance and should not be regarded as evidence that impacts actually differed across the subgroups. Asterisks indicate that the variation is statistically significant; one can be reasonably confident that the impacts of adding SSP Plus services to the financial incentive actually differed across the subgroups.

The impacts on supplement take-up of adding services to the financial offer are strikingly similar across a wide range of subgroups. For example, SSP Plus is estimated to have increased supplement take-up among people who were neither employed nor looking for work at random assignment by as much as it increased supplement take-up among people who were employed part time at random assignment. As is indicated by the far right column of Table 3.2, for most sets of subgroups the variation in impacts is not statistically significant. Nevertheless, some cautious inferences may be drawn on the basis of the pattern of impacts. Adding SSP Plus services to the financial incentive seems to have had the largest impact on people who had an initial preference for staying at home rather than working. There is also a slight suggestion that impacts were larger for people who were neither the most nor the least disadvantaged.

Some of the larger increases in take-up rates were observed for people who at random assignment:

- had some work experience, but less than five years;
- were not working at random assignment, but were looking for work;
- had finished grade 10 or 11 but not gone further;
- could not find trustworthy child care if they got jobs;
- reported that personal or family responsibilities were reasons they could not work;
- agreed that they did not want jobs because they would miss their children too much; or
- preferred not to work so that they could take care of their families full time.

The services provided by the SSP Plus program primarily emphasized job search and confidence building through job-search clubs and one-on-one job coaching (see Chapter 2 for a complete description of SSP Plus services). In this context, the large increases in take-up rates for people who were somewhat job-ready (had some work experience, attended but did not graduate from high school, were looking for work) but who might have trouble finding

When actual variation is small, larger sample sizes are needed in order to conclude that the variation observed is not the result of chance. Because the sample sizes for the different subgroups are relatively small, the impacts on supplement take-up of adding SSP Plus services are measured relatively imprecisely and therefore it is more difficult for one to conclude that the observed variation in impacts across the subgroups reflects actual variation in the impacts rather than variation arising from chance.

jobs (had relatively few years of work experience and relatively low levels of education) is understandable. The large increase in take-up among people who said they could not find trustworthy child care if they got jobs is somewhat surprising, given that SSP Plus services did not provide child care. The large increases in take-up rates for people who had initial preferences for staying home over working may reflect a change in attitudes effected by the personalized nature of SSP Plus service delivery.

Offered the financial incentive alone (column 3), take-up rates were highest among people who had five or more years of work experience, were already employed at random assignment, or had some post-secondary education. These are people who have demonstrated job-readiness and who would be most able to take advantage of the supplement offer. In general, the addition of SSP Plus services (column 4) did not increase the take-up rates for people in these subgroups, most likely because they were not in need of the services provided by the SSP Plus program. Take-up rates were low for both regular SSP program and SSP Plus program group members who had never worked, had less than a grade 10 education, or said they could not work at random assignment because of an illness or disability. The transition from welfare to work is the most difficult for people in these groups. It is therefore not surprising that when offered the financial incentive alone, very few of them took up the supplement offer. In general, the addition of SSP Plus services did not increase the take-up rates for people in these subgroups, most likely because the services provided by the SSP Plus program, which emphasized job search and confidence building, did not directly address the problems they faced.[7]

JOBS OBTAINED BY SUPPLEMENT TAKERS

The analysis in the previous section suggests that, at the time of the supplement offer, the additional supplement takers in the SSP Plus program group had a stronger preference for staying home and may have been less job-ready than people who took up the supplement offer in response to the financial incentive alone. Did that mean that the jobs used by SSP Plus program group members to take up the supplement offer were different from the jobs used by regular SSP group members?

On the one hand, SSP Plus program group members had help finding jobs from program staff. As was described in Chapter 2, program staff provided SSP Plus program group members personalized job-search assistance, which included job leads and resume preparation. This additional help might be expected to result in higher quality jobs, jobs that regular SSP program group members may not have had access to either because they did not know about them or because they did not have the know-how to acquire them. On the other hand, to the extent that the additional supplement takers in the SSP Plus program group are

[7] An analysis of job child attendance rates by subgroup showed that the more disadvantaged subgroups were not necessarily less likely to have received services than the less disadvantaged subgroups. Among people with an activity-limiting physical condition, the attendance rate was 31 percent. Among people who had less than a grade 10 education or who could not work because of illness or disability, the attendance rates were somewhat lower (28 percent for each subgroup). However, variation in attendance rates across education levels and between nonworkers for whom illness was or was not a reason for not working was not statistically significant. The job child attendance rate among all 36-month respondents in the SSP Plus group was 26 percent.

more disadvantaged than the supplement takers who are responding to the financial incentive of the supplement offer, the jobs they acquire are expected to be worse.

Table 3.3 compares the jobs obtained by SSP Plus supplement takers and those obtained by regular SSP supplement takers. Unlike comparisons between the SSP Plus and regular SSP program groups as wholes, comparisons of supplement takers in the two groups cannot be used to infer what would have happened had SSP Plus services not been offered. Supplement takers in the SSP Plus program group include those who took up the supplement in response to the addition of services to the supplement offer, a group not represented among supplement takers in the regular SSP program group. Differences between the two groups of supplement takers, therefore, may be the result of differences in their *characteristics* and should not be attributed to differences in the two *programs*.

In general, the SSP Plus and regular SSP supplement takers acquired jobs that were fairly similar. On average, members of both groups were able to meet the 30-hour-per-week work requirement with one job, as opposed to working at multiple jobs in order to satisfy the requirement. The initial average hourly wage among SSP Plus supplement takers was slightly lower than among regular SSP supplement takers. Compared with regular SSP program group members, a lower percentage of SSP Plus program group members who took up the supplement worked at companies with fewer than 20 employees, and a higher percentage worked at companies with 20 to 99 employees.[7] The benefits offered by the employers of supplement takers were similar. Some benefits (pension plan, health plan, and drug plan coverage) were received by a higher percentage of SSP Plus supplement takers, while others (dental plan coverage) were received by a higher percentage of regular SSP supplement takers.[8]

Compared with regular SSP supplement takers, a substantially lower percentage of SSP Plus supplement takers were still working for the same employer at the 18-month follow-up survey as they were working for at the time of supplement take-up. The implications of this higher job turnover among SSP Plus supplement takers are not clear. SSP Plus supplement takers may have moved on to better jobs. As was described in the previous chapter, program staff did not stop providing job leads to people who had already secured jobs. On the contrary, job coaches kept an eye out for better jobs with the understanding that wage progression or a taste for work would be important elements in the long-run success of the program. Job turnover could also suggest difficulty maintaining full-time work after supplement take-up.

Supplement takers' responses to whether they left or lost their jobs and the main reasons they did provide some insight on job turnover in the two groups. SSP Plus supplement takers were more likely to have left their jobs than regular SSP supplement takers, but they were no more likely than regular SSP supplement takers to have lost their jobs. Thus the additional job turnover among SSP Plus supplement takers was voluntary. Moreover, one-third of SSP Plus supplement takers who left their jobs said they found new jobs, compared with one-fifth of regular SSP supplement takers who left their jobs.

[7] Studies have shown that there is a positive relationship between wage levels and employer size (Brown and Medoff 1989; Statistics Canada 1998b; Morissette 1993).

[8] If more than one job was held at supplement take-up, the job at which the sample member worked the most hours per week was used to calculate the averages shown in Table 3.3.

Table 3.3: Employment at Supplement Take-Up

Outcome	SSP Plus Group	Regular SSP Group
Description of employment		
Held one job at supplement take-up (%)	88.4	89.6
Initial hourly wage ($)	5.93	6.08
Size of employer (%)		
19 or fewer employees	57.6	69.5
20 to 99 employees	33.3	20.0
100 to 499 employees	6.9	8.4
500 or more employees	2.1	2.1
Member of union (%)	0.7	4.4
Employer provides the following benefits (%)		
Pension plan coverage	12.1	9.7
Dental plan coverage	13.1	15.8
Health plan coverage	16.7	15.8
Drug plan coverage	15.4	14.7
Continuity of employment		
Working at same job at 18-month interview (%)	44.9	61.5
No longer working at same job at 18-month interview (%)	55.1	38.5
Left job (%)	31.3	14.6
Main reason left job (%)		
Found a new job	10.2	3.1
Working conditions	6.1	2.1
Going to school	2.7	0.0
Own illness or disability	2.0	2.1
Personal or family responsibility	1.4	1.0
Conflict with employer	1.4	1.0
Low pay	0.7	2.1
Moved to a new residence	0.7	0.0
Other	6.1	3.1
Lost job (%)	23.8	24.0
Main reason lost job (%)		
Permanent layoff	6.8	8.3
Seasonal nature of job	8.2	3.1
Dismissal by employer	4.1	1.0
Company moving or going out of business	2.0	5.2
Other	0.7	6.3
Sample size (total = 243)	147	96

Sources Calculations from baseline survey data and 18-month follow-up survey data.

Notes All rates are based on supplement takers only. If more than one job was held at supplement take-up, then the initial wage, size of employer, benefits provided by the employer, whether still working for the employer, and reasons for no longer working for the employer are for the job at which the most hours per week were worked at the time of supplement take-up.

Sample sizes vary for individual measures because of missing values.

SUPPLEMENT TAKE-UP AND CONTINUOUS RECEIPT

Each month until the end of the one-year take-up window, additional program group members took up the supplement. At the same time, people who took up the supplement in previous months failed to qualify for supplement payments as a result of reduced hours or

lost jobs. The monthly supplement receipt rate reflects the net effect of these two events. Figure 3.2 shows the monthly supplement receipt rate for the SSP Plus and regular SSP program groups, along with the difference in supplement receipt for the two groups. In general, the monthly supplement receipt rate among SSP Plus program group members exceeded the rate among regular SSP program group members in the 18 months following random assignment. The magnitude of the difference fluctuated from month to month, however, and was statistically significant in only four of the 18 months (months 10, 15, 16, and 17).

Figure 3.2: Monthly Supplement Receipt, SSP Plus and Regular SSP Program Groups

Source: Calculations from payment records from SSP's Program Management Information System (PMIS).

Table 3.4 shows the impacts of SSP Plus on continuity of supplement receipt. Two measures of continuity are analyzed. One measure is whether sample members had a missed or reduced payment between supplement take-up and the 18-month interview.[9] The second measure is the number of months of supplement receipt in the first eight months after supplement take-up.[10] It appears that the additional supplement take-up generated by the SSP

[9] The number of months between supplement take-up and the 18-month interview differs across sample members depending on how quickly they took up the supplement and when their 18-month interview took place.

[10] The program allows some episodes of low work hours without cutting off supplement payments. If average hours worked falls below 30 hours per week during a supplement pay period, the supplement is reduced proportionately the first and second times this happens during a 12-month period. No supplement payment is made the third and subsequent times this happens during a 12-month period. Eight months is the maximum number of months of payment observed for all sample members. Sample members received their first supplement payments as early as January 1995 and as late as June 1996. Because supplement payment data is available only through January 1997, only eight months are observed for sample members who received their first payments in June 1996. On average, the first supplement payment was received seven

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Plus program is concentrated among people who did not maintain continuous supplement receipt. SSP Plus had no impact on the percentage who did not have missed or reduced payments but had a statistically significant 14.5 percentage-point impact on the percentage who did miss or have reduced payments. This suggests that the additional supplement takers in the SSP Plus program group all missed or had a reduced payment at some point after supplement take-up.[11] The impacts of SSP Plus on the distribution of number of months of supplement receipt shows that SSP Plus had no effect on the percentage who received supplement payments in all eight months following supplement take-up. On the other hand, more than five times the percentage of SSP Plus program group members as regular SSP program group members received supplement payments for only one or two months. SSP Plus did increase the percentage of sample members who received supplement payments in nearly all of the eight months following take-up. The percentage of SSP Plus program group members who received six or seven months of supplement payments is almost twice that of regular SSP program group members.

Table 3.4: SSP Plus Impacts on Supplement Receipt

Outcome (%)	SSP Plus Program Group	Regular SSP Program Group	Difference (Impact)	Standard Error
Missed or had reduced payments between supplement take-up and the 18-month interview				
Did not take up the supplement	48.3	65.3	-17.0 ***	(4.1)
Missed or had a reduced payment	36.7	22.2	14.5 ***	(3.8)
Did not miss or have a reduced payment	15.0	12.5	2.5	(2.9)
Months of supplement receipt in the 8 months after supplement take-up				
Did not take up the supplement	48.3	65.3	-17.0 ***	(4.1)
1-2 months	7.5	1.4	6.0 ***	(1.7)
3-5 months	10.8	7.6	3.2	(2.4)
6-7 months	15.7	8.7	7.1 ***	(2.7)
All 8 months	17.8	17.0	0.8	(3.2)
Sample size (total = 574)	286	288		

Sources: [illegible]

Notes: [illegible]

Among both SSP Plus and regular SSP supplement takers, the most frequently cited reason for missing or having a reduced payment was that their employers could not give them enough hours of work (more than one-third of supplement takers gave this answer). Among those who had missed or reduced payments, those in the SSP Plus program group were more likely to report having lost or left their jobs than those in the regular SSP group.[12]

[illegible] weeks after supplement take-up, hence the late date of first supplement receipt observed for some program group members. For ease, the eight-month period starting from the first month of supplement receipt is referred to as "the eight months after supplement take-up."

[illegible] As pointed out by Lin et al., 1998, for the comparison of program and control group wage distributions, the analysis in Table 3.4 does not provide definitive evidence that additional supplement takers nearly all missed or had reduced payments. For example, it is possible that SSP Plus shifted 10 percent of non-takers to the "took up and did not miss" category, 5 percent of non-takers to the "took up and missed" category, and 7.5 percent of sample members from the "took up and did not miss" category to the "took up and missed" category. The latter shift might occur if SSP Plus helped supplement takers find new jobs and during the transition supplement takers experienced a break in employment leading to a missed or reduced payment.

[illegible] Jobs that were lost and jobs that were left were not distinguished for this survey question.

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The lower success rate of the SSP Plus program with respect to continuity of supplement receipt is consistent both with the types of employment services emphasized by the SSP Plus program and with the hypothesis that the SSP Plus services enabled people who were more disadvantaged to take up the supplement offer. It is important, however, not to overlook the importance of the higher supplement take-up rates among SSP Plus program group members. If a sample member did not take up the supplement offer within the one-year take-up window, she became ineligible to receive supplement payments for the remainder of the study. The additional take-up among SSP Plus program group members means that the financial incentive to find full-time work remains for the following three years. This feature leaves open the possibility that higher monthly supplement receipt, and consequently higher full-time employment rates, could be observed among the SSP Plus program group in later follow-up periods.

REASONS FOR NOT TAKING UP THE SUPPLEMENT

SSP Plus increased the percentage of people who took up the supplement offer, yet in both program groups many people still chose not to take up the offer. Nearly two-thirds of the regular SSP program group and one-half of the SSP Plus program group never took up the supplement. These program group members are referred to as non-takers. On the 18-month follow-up survey, 88 percent of SSP Plus non-takers and 86 percent of regular SSP non-takers answered "yes" to the question "In the year that you could qualify for the supplement, were you interested in taking advantage of the SSP offer?" If the majority of non-takers were interested in the supplement offer, why didn't they take it up? Despite the different treatments, non-takers in the SSP Plus and regular SSP program groups gave strikingly similar reasons for not taking up the supplement.

On the follow-up survey, non-takers were asked to compare their current financial situation (approximately 18 months after random assignment) with what they thought their financial situation would be if they were to work full time, collect the SSP earnings supplement, and leave Income Assistance. Sixty-nine percent of non-takers in both the SSP Plus and regular SSP program groups said they would be "a lot better off" financially if they were working full time and receiving the supplement. Another 18 percent of SSP Plus non-takers and another 16 percent of regular SSP non-takers said they would be "slightly better off." Thus, for most non-takers, it does not appear that lack of financial incentive was the main reason for not taking up the supplement.

The most commonly mentioned reasons for not taking up the supplement were difficulties in finding work, health problems or disabilities, and personal or family responsibilities. Similar percentages — about 40 percent — of non-takers in the SSP Plus and regular SSP program groups said that the main reason they did not take up the supplement offer was that they were unable to find a job. The employment services of SSP Plus were not sufficient to overcome the difficulties in finding work for everyone. Health problems or disabilities were the second most commonly cited reasons for not taking up the supplement in both program groups. As suggested by the analysis of take-up rates by subgroups, these barriers may be beyond the scope of employment services offered by the SSP Plus program. Personal or family responsibilities also ranked high among both groups of non-takers as reasons for not taking up the supplement.

CONCLUSION

The added services of the SSP Plus program enabled a substantial percentage of people to take up the supplement offer over and above the percentage who took up the offer in response to the financial incentive alone. This implies that a higher percentage of SSP Plus program group members go into future follow-up periods with the financial incentive to work full time. The analysis presented in this chapter shows that SSP Plus increased supplement take-up for a broad range of subgroups. There is some indication that the addition of SSP Plus services to the financial incentive was more helpful for people who had an initial preference for staying at home rather than working and was less helpful for people who were already working full time at random assignment or who had health problems or disabilities. Small sample sizes for many subgroups made it difficult to conclude that the observed variation in impacts on supplement take-up was the result of adding services to the supplement offer rather than chance.

The impacts of SSP Plus on monthly supplement receipt were modest relative to its impacts on supplement take-up. The added services of the SSP Plus program did not increase the percentage of sample members who maintained continuous supplement receipt, and the additional supplement takers in the SSP Plus program group had difficulty keeping up full-time work. Because supplement receipt is contingent on having full-time work and forgoing IA benefits, modest impacts on supplement receipt suggest modest impacts on these outcomes as well (relative to the regular SSP program). The findings presented in this chapter give only a general view of the impacts of SSP Plus. The next chapter examines in more detail the impacts of SSP Plus on employment and receipt of cash assistance by looking at a wider range of outcomes and comparing the behaviours and experiences of SSP Plus and regular SSP program group members with the behaviours and experiences of control group members.

Chapter 4:
Impacts on Employment, Income Assistance, Public Expenditures, Family Income, and Family Living Conditions

As was reported in Chapter 3, just over one-half of the SSP Plus program group members took up the SSP supplement. In contrast, the take-up rate among regular SSP program group members was just over one-third. This chapter addresses two major questions. First, what are the overall impacts of the SSP Plus program on economic outcomes during the follow-up period? Second, did the higher take-up rate in the SSP Plus program relative to the regular SSP program lead to higher impacts on the same economic outcomes? In other words, did the provision of services *in addition to* financial incentives induce more people to find full-time jobs and leave Income Assistance (IA) long enough to improve their economic well-being, compared with the provision of financial incentives alone?

The results of this chapter may be summarized as follows:

- **The combination of financial incentives and job-search and other services more than doubled the full-time employment rate**. In the fifth quarter of the follow-up period, the full-time employment rate of SSP Plus program group members was 33.0 percent, compared with a 15.6 percent full-time employment rate for control group members.
- **SSP Plus increased full-time employment by more than regular SSP, but very little of the additional full-time employment was due to the services**. In the fifth quarter of the follow-up period, the full-time employment rate of SSP Plus program group members was 2.4 percentage points higher than the full-time employment rate of regular SSP program group members. This additional impact was not statistically significant.
- **The combination of financial incentives and services reduced the IA receipt rate**. In the fifth quarter of the follow-up period, the IA receipt rate of SSP Plus program group members was 60.7 percent, compared with an 81.1 percent IA receipt rate for control group members.
- **SSP Plus reduced IA receipt by more than regular SSP, but very little of the reduction was due to the services**. In the fifth quarter of the follow-up period, the IA receipt rate of SSP Plus program group members was 3.9 percentage points lower than the IA receipt rate of regular SSP program group members. This additional impact was not statistically significant.
- **The combination of financial incentives and services generated a significant increase in after-tax family income**. In the six-month period before the 18-month interview, family income of SSP Plus program group members was $156 greater than family income of control group members. Most of this increase ($100) was due to the services provided by SSP Plus.

The remainder of this chapter is organized as follow. The first two sections provide information basic to an understanding of the impacts: the sample and data sources used in this chapter and the *expected* effects of the SSP Plus and regular SSP programs on key outcomes. The remaining sections, the core of the chapter, present the estimated impacts of these two programs on employment, earnings, cash transfer payments, total family income, and family living conditions. The chapter ends with a brief conclusion.

DATA AND SAMPLE

Regular SSP and control group samples studied in this report are subsets of those studied in an earlier report (Lin et al., 1998). While the earlier report used all sample members who were randomly assigned between November 1992 and March 1995, the current report studies only sample members who were randomly assigned between November 1994 and March 1995, when random assignment was made into the SSP Plus program group. The sample of 18-month survey respondents in this report is much smaller than that in the earlier report; it consists of 286 SSP Plus program group members, 288 regular SSP program group members, and 288 control group members, all of whom were receiving Income Assistance in New Brunswick when they were randomly assigned, and all of whom completed an 18-month follow-up survey.[1]

Data presented in this chapter come from several sources: a baseline survey, an 18-month follow-up survey, IA records, and SSP's Program Management Information System (PMIS). All employment outcomes examined in this chapter are taken from responses to questions in the 18-month survey. Although the survey was designed to be administered to all report sample members 18 months after random assignment, some were given the survey as early as 15 months after random assignment. Thus, results from the survey are reported only through the fifteenth month (quarter 5) of the follow-up period, a time period for which responses are available for all sample members.[2] In contrast, IA and SSP supplement payments are taken from administrative records, Income Assistance from monthly data files of Human Resources Development–New Brunswick, and SSP payments from PMIS.[3] Data on these outcomes are available through month 18 (quarter 6) for all respondents; thus results for some of these outcomes are presented for a six-quarter period.

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[1] By way of contrast, the study sample in Lin et al., 1998, consisted of 1,230 regular SSP program group members and 1,265 control group members in New Brunswick who completed an 18-month follow-up survey. Because the regular SSP impacts are different in the two studies, the impacts of the regular SSP program are also different, although the differences are not substantial.

[2] The fifteenth, seventeenth, and eighteenth months of the follow-up period, employment data are not available for 8, 10, and 8 SSP persons who responded to the completed an 18-month follow-up survey.

[3] Monthly Income Assistance benefit amounts represent the total dollar amount of regular cheques only. They do not include special payments (short-couple, fuel supplements, and back-to-school cheques). Although welfare expenditures are therefore underreported, an audit performed by Statistics Canada indicated that special payments in New Brunswick represented only a very small proportion (about five percent) of total payments. We have no reason to believe that receipt of special payments would differ across the SSP groups, and we are therefore confident that the omission of special payments in New Brunswick has not influenced our estimation of Income Assistance impacts.

EXPECTED EFFECTS ON EMPLOYMENT, INCOME ASSISTANCE RECEIPT, AND CASH TRANSFER PAYMENTS

Expected Effects on Employment

Effects of Financial Incentives Only: The Regular SSP Program[1]

The financial incentive provided by the regular SSP program is expected to increase the percentage of program group members who work full time in the first year of the program, because the supplement is available only to those who work 30 or more hours per week at some time during that year. During the first year, SSP should also reduce the proportion of group members working part time; the supplement provides an incentive to find a full-time job but does not directly reward part-time work. The effect on employment levels (full-time and part-time work) is less clear, but it should also be positive. Employment will increase if some group members who take up the supplement offer would not have worked without the offer; it will remain unchanged if everyone who takes up the offer would have worked part time without the offer.

SSP is also expected to provide a "windfall" of supplement payments to program group members who would have worked full time even in the absence of the supplement. Because these persons receive a supplement for what they would have done anyway, SSP's impact on full-time employment will be less than the supplement take-up rate. Windfall payments add to the cost of SSP, but they also increase the incomes of program group members and help make it more attractive to continue working than to depend primarily on welfare.

The magnitudes of the effects of SSP's financial incentives on employment are expected to vary over time. During the first year after random assignment, impacts should grow as more and more program group members enter full-time employment in response to the supplement offer. After the first year, no additional program group members can take up the supplement. Impacts on full-time employment are then expected to decline somewhat over time for two reasons. First, some supplement takers could be unwilling or unable to continue working full time. This decline in the full-time employment rate of the program group could result if SSP encourages work among people who have a hard time keeping their job because of personal hardships or responsibilities or if it encourages people to find jobs that are not very stable. Second, the full-time employment rate of the control group is likely to rise over time so a portion of the impact will dissipate as some of the control group members "catch up." Thus, impacts are expected to peak approximately one year after random assignment.

The Effects of Adding Services: The SSP Plus Program

Many persons induced by the SSP supplement to seek full-time employment face significant barriers that make it difficult to find a job. The package of job-search and other services offered to the SSP Plus program group is intended to remove some of these barriers and facilitate the welfare-to-work transition. Thus, the combination of a financial incentive plus services should have a bigger impact on employment than financial incentives alone, because it will induce some program group members to take up the supplement who would not do so with financial incentives only. On the other hand, program group members who

[1] A more complete discussion of the expected effects of the financial incentives of the regular SSP program is given in Doolittle et al. (1993).

would have worked full time in the absence of financial incentives are unaffected by the addition of services. Thus, the services provided by the SSP Plus program should not create any additional windfall to group members who would have worked anyway. In other words, all the additional supplement payments generated by the SSP Plus services should go to persons who would not have found full-time employment in the absence of the services.

Expected Effects on IA Receipt and SSP Payments

Effects of Financial Incentives Only: The Regular SSP Program

Because supplement takers were required to leave Income Assistance, SSP should reduce the percentage of program group members receiving Income Assistance. During the first 18 months of the program, impacts on IA receipt should be about the same as impacts on full-time employment, since SSP is expected to encourage people *both* to work full time and to leave Income Assistance. Like the impact on full-time employment, the impact on the percentage receiving Income Assistance is expected to peak soon after the end of the one-year take-up window.

During the three-year supplement period, SSP may not save the government money because the reductions in IA costs are accompanied by increased public expenditures for SSP supplement payments. For program group members who leave Income Assistance to receive the SSP supplement, public expenditures could either increase or decrease, depending on whether the SSP supplement is larger or smaller than the IA payment given up.[1] For most windfall cases, however, SSP will increase public expenditures, because most recipients of windfall payments would have left Income Assistance even without the offer of the supplement. Thus, an important determinant of the net impact of SSP on public expenditures is the extent to which SSP rewards people who would have left Income Assistance anyway.

Effects of Adding Services: The SSP Plus Program

Paralleling the impacts on full-time employment, the addition of employment-related services in the SSP Plus program should increase the impact of SSP on receipt of Income Assistance. The SSP Plus program should reduce the IA receipt rate and IA payments by more than the regular SSP program because a greater number of persons in the SSP Plus program group are expected to be successful in finding full-time employment.

The addition of services is not, however, likely to affect the IA receipt rate among those who would be receiving *either* Income Assistance or SSP. As the last section showed, both SSP Plus and regular SSP are expected to increase public expenditures because of windfall gains for persons who would have left Income Assistance anyway, but it is not likely that providing services will increase the number of windfall recipients. For one thing, many windfall recipients are persons who were working full time at the time SSP was initially offered. Clearly, such persons are automatically eligible for the SSP supplement and are not in immediate need of SSP Plus services. Second, many other windfall recipients are persons who either were working part time or were job-ready at the time SSP was initially offered. These persons also are not likely to be in need of the SSP Plus services. Thus, while SSP Plus is expected to increase the number of persons who find full-time employment and leave

[1] Even as compared to unemployment and earnings, SSP could generate an increase or decrease in public expenditures, depending on the relative size of the Child Tax Benefit and Unemployment Insurance. The impacts of SSP on these other components of public expenditures are shown in Table 4.4.

Income Assistance, it will probably not increase the number of windfall beneficiaries and hence the number of persons receiving *either* Income Assistance or SSP.

It is expected that after the 18-month period studied here, the IA receipt rates of both program groups and the control group will continue to decline, but the decline will be less for the program groups, because some program group members who normally would leave Income Assistance after month 18 were led by SSP's one-year time limit on supplement take-up to leave Income Assistance earlier.

ESTIMATED IMPACTS ON EMPLOYMENT, EARNINGS, INCOME ASSISTANCE, AND CASH TRANSFER PAYMENTS

Estimated Impacts on Employment and Average Earnings

Figure 4.1 shows, for each of the first 15 months of the follow-up period, the proportion of each research group that is working full time, working part time, and working either full time or part time. Several things stand out in these figures: (1) the SSP Plus combination of services and financial incentives increases both full-time employment and overall employment; (2) the SSP Plus combination of services and financial incentives increases full-time and overall employment by more than the SSP financial incentives alone; (3) the differences in full-time employment between SSP Plus and regular SSP seem to get smaller in the later months, while the differences in overall employment do not.

Figure 4.2 shows the average monthly earnings of each research group over the first 15 months of the follow-up period. The earnings patterns are consistent with the employment patterns shown in Figure 4.1. For most of the 15-month follow-up period, average earnings of both SSP Plus program group members and regular SSP program group members are greater than the average earnings of control group members. In addition, average earnings of SSP Plus program group members exceed the average earnings of regular SSP program group members, suggesting that the combination of financial incentives plus services increases earnings by more than just the financial incentives alone.

Random assignment is designed to make the three groups comparable prior to baseline. Figures 4.1 and 4.2 indicate some slight differences that may be due to the small sample sizes. For example, average monthly earnings of SSP Plus program group members are below average monthly earnings of regular SSP and control group earnings during months -12 to -3, and slightly above average monthly earnings of regular SSP program group members in months -2 to -1. Because of these differences, as well as other slight differences in certain baseline characteristics, the estimated impacts presented in Table 4.1 (and all subsequent tables) are adjusted for the effects of several baseline characteristics.[6] The unadjusted impacts

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[6]The estimated impacts and average outcome levels are derived from an ordinary least squares (OLS) regression model that includes indicators for sample members in the SSP Plus and control groups and 16 baseline characteristics pertaining to the respondent and the respondent's family as additional covariates. These additional covariates are average monthly Income Assistance payments in the four quarters before random assignment, average monthly earnings in the four quarters before random assignment, age and age squared, and dummy variables for being female, having less than a high school education, whether working at baseline, whether likes going to work, whether expects to be married in a year, and whether expects to be working in a year. Dummy variables indicating whether each covariate was missing were also included in the model.

(continued)

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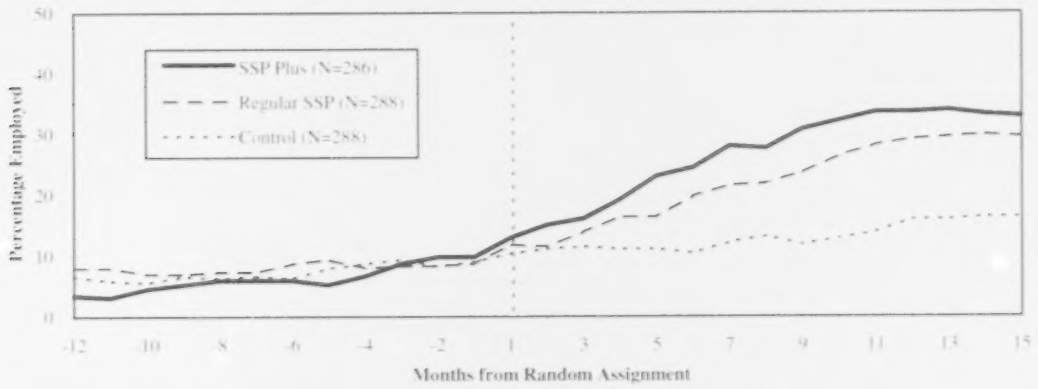
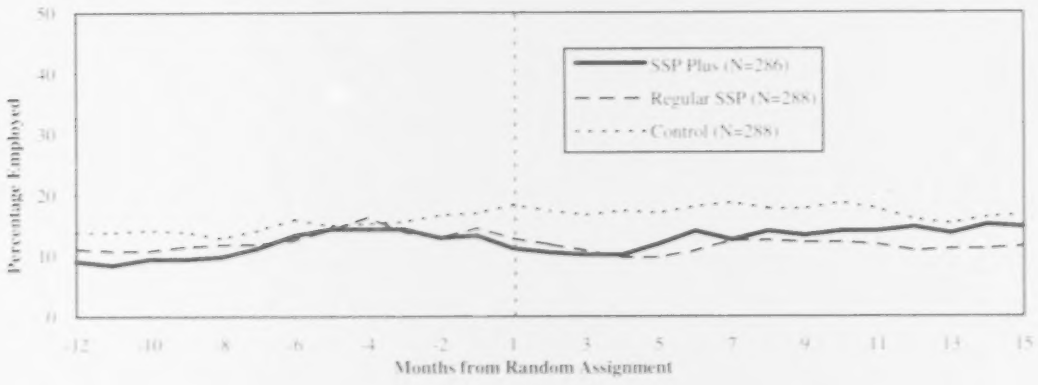
Figure 4.1: Monthly Employment Rates Among SSP Plus, Regular SSP, and Control Group Members

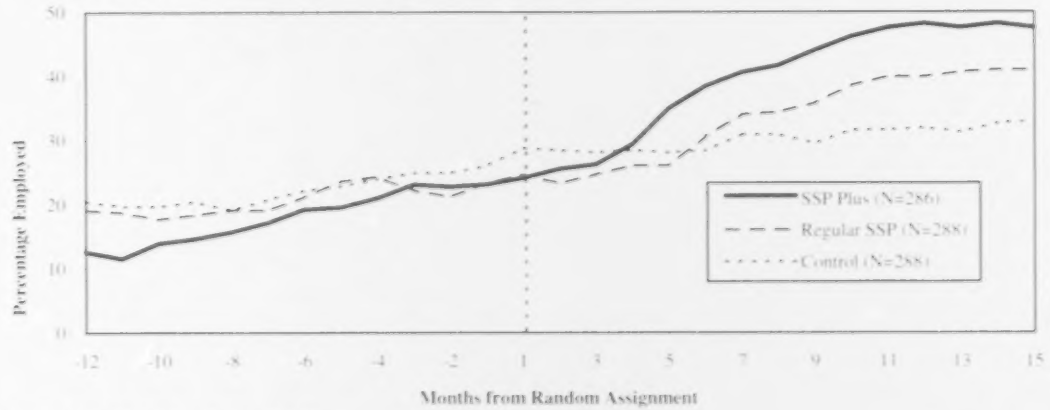
a. Monthly Full-Time Employment Rates



b. Monthly Part-Time Employment Rates



c. Monthly Employment Rates Full Time or Part Time



Source: Calculations from 18-month follow-up survey data.

To allow comparisons of the actual supplement take-up rates and patterns of supplement receipt between the SSP Plus and regular SSP groups, the impacts on supplement take-up and receipt presented in Chapter 3 were not adjusted for differences in baseline characteristics.

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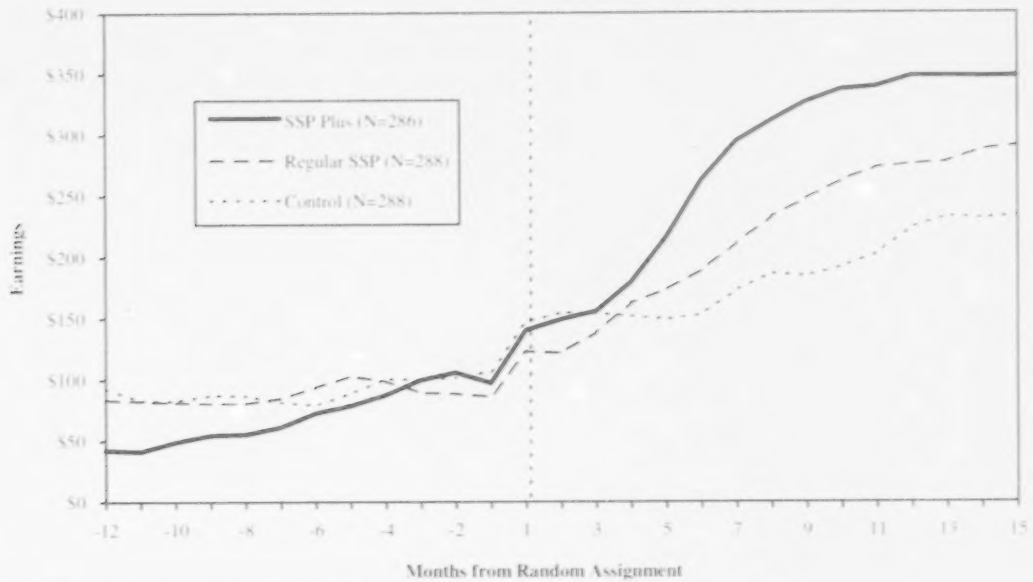
Figure 4.2: Average Monthly Earnings Among SSP Plus, Regular SSP, and Control Group Members



Source: Calculations from 18-month follow-up survey data.
Note: Sample sizes vary for individual months because of missing earnings data.

are presented in the Appendix, and it is worth noting that, while the adjustment reduces the magnitude of the impacts in many cases, the general pattern of the impacts is unaffected by the adjustment.[7]

The estimates shown in Table 4.1 are monthly averages for each quarter (three-month period), beginning with the quarter of random assignment. Column 1 of the table shows the SSP Plus program group's full-time, part-time, and overall employment rates (that is, the percentages employed full time, employed part time, and employed at all) and the average earnings of program group members. Columns 2 and 3 show the same outcomes for the regular SSP program group and the control group, respectively. Column 4 shows the estimated impact of the SSP Plus program (financial incentives plus services) — the difference between the SSP Plus program group and the control group in each of these outcomes. Column 5 shows the estimated standard error of the impact of the SSP Plus program. Columns 6 and 7 show the estimated impact and standard error of the regular SSP program (financial incentives alone) — the difference between the regular SSP program group and the control group in each of these outcomes. Finally, columns 8 and 9 show the estimated *incremental* impact and standard error of the SSP Plus program relative to the regular SSP program (the added impact of services) — the difference between the SSP Plus program group and the regular SSP program group in each of these outcomes.[8] It may be noted that the incremental impact of the SSP Plus program in column 8 is the difference between the impacts of the SSP Plus and regular SSP programs in columns 4 and 6.

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[7] The adjustment also reduces the standard errors of the estimated impacts, but, because of the lower magnitudes of the impacts, fewer adjusted impacts are statistically significant.

[8] In the case of the incremental impact of the SSP Plus program, an asterisk indicates that the impact of the SSP Plus program is significantly different from the impact of the regular SSP program.

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Table 4.1: Adjusted SSP Plus Impacts on Employment and Earnings

Outcome	Average Outcome Levels: SSP Plus Group (1)	Average Outcome Levels: Regular SSP Group (2)	Average Outcome Levels: Control Group (3)	SSP Plus vs. Control: Impacts of Financial Incentives and Services (4)	SSP Plus vs. Control: Standard Error (5)	Regular SSP vs. Control: Impacts of Financial Incentives Alone (6)	Regular SSP vs. Control: Standard Error (7)	SSP Plus vs. Regular SSP: Added Impacts of Services (8)	SSP Plus vs. Regular SSP: Standard Error (9)
Full-time employment rate (%)[a]									
Quarter 1	15.0	13.4	9.7	5.3 **	(2.3)	3.8 *	(2.3)	1.5	(2.3)
Quarter 2	22.2	18.6	9.9	12.3 ***	(2.7)	8.7 ***	(2.7)	3.6	(2.7)
Quarter 3	28.8	23.3	11.4	17.4 ***	(3.0)	11.9 ***	(3.0)	5.4 *	(3.0)
Quarter 4	32.9	28.7	13.6	19.3 ***	(3.2)	15.0 ***	(3.1)	4.3	(3.2)
Quarter 5	33.0	30.6	15.6	17.4 ***	(3.3)	15.0 ***	(3.3)	2.4	(3.3)
Part-time employment rate (%)[b]									
Quarter 1	11.2	12.6	16.0	-4.8 **	(2.1)	-3.4	(2.1)	-1.4	(2.1)
Quarter 2	12.6	10.5	16.4	-3.7	(2.4)	-5.8 **	(2.3)	2.1	(2.4)
Quarter 3	13.2	13.3	17.2	-4.0	(2.7)	-4.0	(2.7)	0.0	(2.7)
Quarter 4	14.2	12.5	16.6	-2.4	(2.7)	-4.0	(2.6)	1.7	(2.7)
Quarter 5	14.4	11.9	15.6	-1.2	(2.7)	-3.7	(2.7)	2.5	(2.7)
Overall employment rate (%)									
Quarter 1	26.2	26.1	25.7	0.5	(1.8)	0.4	(1.8)	0.1	(1.8)
Quarter 2	34.8	29.1	26.3	8.6 ***	(2.7)	2.8	(2.7)	5.7 **	(2.8)
Quarter 3	42.0	36.6	28.6	13.4 ***	(3.2)	8.0 **	(3.2)	5.4 *	(3.2)
Quarter 4	47.1	41.2	30.2	16.9 ***	(3.3)	11.0 ***	(3.2)	5.9 *	(3.3)
Quarter 5	47.4	42.5	31.1	16.2 ***	(3.4)	11.4 ***	(3.4)	4.9	(3.4)
Average earnings ($/month)									
Quarter 1	149	141	134	15	(18)	7	(18)	8	(18)
Quarter 2	216	188	140	76 ***	(25)	48 *	(25)	28	(25)
Quarter 3	309	245	169	140 ***	(31)	76 **	(31)	64 **	(31)
Quarter 4	339	286	196	143 ***	(33)	91 ***	(32)	52	(33)
Quarter 5	341	304	221	120 ***	(33)	83 **	(33)	37	(33)
Sample size (total = 862)	286	288	288						

SOURCE: Calculations from 18 month follow up survey data.

NOTES: The estimates for quarters 1-5 are calculated by averaging the monthly estimates for the three months within a quarter.

A two-tailed t-test was applied to impact estimates. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent.

Sample sizes vary for individual measures because of missing values.

Rounding may cause slight discrepancies in sums and differences.

[a] "Full-time employment" is defined as working 30 hours or more per week in at least one week during the month.

[b] "Part-time employment" is defined as having some employment but no full-time employment during the month.

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The first panel of the table shows that both the SSP Plus and regular SSP programs had a substantial impact on full-time employment. For the SSP Plus program, the largest estimated impacts occurred in quarter 4, when SSP increased the full-time employment rate by 19.3 percentage points: 32.9 percent of the SSP Plus program group members were working at least 30 hours per week, more than double the control group rate of 13.6 percent. The estimated impact in quarter 5 was somewhat smaller but still substantial.

For the regular SSP program, the largest estimated impacts occurred in quarters 4 and 5, when SSP increased the full-time employment rate by 15.0 percentage points. In quarter 4, 28.7 percent of the regular SSP program group members were working at least 30 hours per week, compared with 13.6 percent of the control group. From quarter 4 to quarter 5, the full-time employment rate increased for the control group by as much as it increased for the regular SSP program group, leaving the impact on full-time employment at 15 percentage points.

In every quarter, the impact of the SSP Plus program was larger than the impact of the regular SSP program (column 8), implying that the combination of financial incentives *and* services generates a larger impact on full-time employment than financial incentives alone. This *incremental* impact of the SSP Plus program is statistically significant only in quarter 3, however, when it reaches a peak of 5.4 percentage points. After quarter 3, the incremental impact began to decline, reaching a level of 2.4 percentage points in quarter 5. Between quarters 3 and 4, the incremental impact declined despite an increase in the impact of both the SSP Plus and regular SSP programs. Between quarters 4 and 5, the incremental impact declined because the impact of the regular SSP program remained unchanged while the impact of the SSP Plus program declined.

The size of the impact on full-time employment reflects the net result of two effects. First, SSP encourages full-time employment among people who would otherwise not work at all. Second, SSP encourages people who would otherwise work part time to increase their work hours to at least 30 hours per week. Thus, SSP is expected to decrease the percentage of program group members working part time, and it is expected to increase the percentage of program group members working at all by less than it increases the percentage working full time. As indicated in the second and third panels of Table 4.1, in each quarter the impacts of both the SSP Plus and the regular SSP programs on part-time employment are negative, and the impacts on overall employment are less than the impacts on full-time employment.

Before quarter 3, both the SSP Plus and the regular SSP programs had some statistically significant impacts on part-time employment. After quarter 3, however, the impacts on part-time employment decrease and are never statistically significant. The impacts on part-time employment decrease more for the SSP Plus program group than for the regular SSP program group. The greater dissipation of impacts on part-time employment for the SSP Plus program could be reflecting the possibility that many of the persons who were induced by the availability of job-finding services to work full time subsequently cut back work hours to part time. This would offset the negative impacts for others who were induced by the financial incentive to switch from part- to full-time employment. It is also possible that individuals

who moved from part- to full-time employment lost those jobs while control group members who were working part time acquired full-time jobs.[9]

Because the impacts on part-time employment essentially disappear for SSP Plus program group members by the fifth quarter of the follow-up period, the impacts on overall employment become close to the impacts on full-time employment (16.2 percentage points versus 17.4 percentage points). In earlier quarters, the impact on employment is somewhat less than the impact on full-time employment (13.4 percentage points versus 17.4 percentage points in quarter 3, for example). On the other hand, the persistence of negative effects on part-time employment for regular SSP program group members led to uniformly smaller impacts on employment than on full-time employment. In quarter 5, for example, the impact of the regular SSP program on employment is 11.4 percentage points versus an impact on full-time employment of 15.0 percentage points.

The last panel of Table 4.1 shows estimated impacts on average earnings. The averages are taken over all program group members or all control group members, including those who had zero earnings because they did not work. The estimates indicate that, from quarter 2 on, both the SSP Plus program and the regular SSP program had statistically significant impacts on earnings. The impacts of the SSP Plus program were uniformly larger than the impacts of the regular SSP program.[10] The result is that the *incremental* impact on earnings of the SSP Plus program relative to the regular SSP program (the added impact of services) is positive in every quarter and statistically significant in quarter 3.

Estimated Impacts on the Distributions of Wages and Hours of Work

Both SSP Plus and regular SSP increased employment, but what sorts of jobs did those extra workers obtain? Table 4.2 reports on two aspects of this question, hourly wage and weekly hours worked, for month 15.[11]

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[9]While adding services encouraged people to find full-time jobs, it was just as likely as not that the extra full-time workers kept working full time. In an analysis not shown in the tables or figures of this report, it was found that about 31 percent of the SSP Plus program group acquired full-time jobs and worked full time in each subsequent quarter, compared with 25 percent of the regular SSP group, a six percentage-point impact. Adding services had nearly as large an effect on the likelihood that someone would acquire a full-time job, work full time for some number of quarters, but subsequently spend a quarter without work. More than 10 percent of the SSP Plus program group did so, compared with about 5.6 percent of the regular SSP program group. Finally, there was a small increase in the likelihood that someone would acquire a full-time job, work full time for a number of quarters, but subsequently spend a quarter working part time. Nearly three percent of the SSP Plus program group did so, compared with about one percent of the regular SSP program group.

[10]The earnings impacts for the full regular SSP sample were larger than those reported here (see Lin et al., 1998). For example, the earnings impact of the regular SSP program in quarter 5 is $134, versus $83 here. It is not known why the earnings impacts of the regular SSP program are so much lower in the SSP Plus study sample. It is possible that the small sample size may be responsible for generating this anomalous result.

[11]For details on how wage rates and hours of work were calculated, see Lin et al., 1998. In order to be comparable with other SSP reports on 18-month findings, the present report covers impacts on wage rates and hours of work in month 15, even though the regression-adjusted added impact of SSP Plus on full-time employment reached a peak in month 9.

Table 4.2: Adjusted SSP Plus Impacts on the Distributions of Wages and Hours, Month 15

Outcome	Average Outcome Levels: SSP Plus Program Group (1)	Average Outcome Levels: Regular SSP Program Group (2)	Average Outcome Levels: Control Group (3)	SSP Plus vs. Control: Impacts of Financial Incentives and Services (4)	SSP Plus vs. Control: Standard Error (5)	Regular SSP vs. Control: Impacts of Financial Incentives Alone (6)	Regular SSP vs. Control: Standard Error (7)	SSP Plus vs. Regular SSP: Added Impacts of Services (8)	SSP Plus vs. Regular SSP: Standard Error (9)
Hourly wage rate (% in each category)									
Not working	53.0	57.4	68.1	-15.2 ***	(3.6)	-10.7 ***	(3.6)	-4.4	(3.6)
Wage unreported[a]	0.1	2.4	2.0	-1.9 *	(1.0)	0.4	(1.0)	-2.2 **	(1.0)
Less than $5.00	3.0	2.7	3.4	-0.3	(1.4)	-0.7	(1.4)	0.3	(1.4)
$5.00-5.99	26.7	21.1	8.0	18.7 ***	(3.2)	13.2 ***	(3.1)	5.5 *	(3.2)
$6.00-6.99	6.4	10.1	7.9	-1.5	(2.3)	2.2	(2.3)	-3.7	(2.3)
$7.00-7.99	6.3	2.2	3.3	3.1 *	(1.6)	-1.1	(1.6)	4.1 **	(1.6)
$8.00 or higher	4.5	4.2	7.4	-2.9	(1.8)	-3.2 *	(1.8)	0.3	(1.8)
Hours worked per week (% in each category)									
Not working	53.0	57.4	68.1	-15.2 ***	(3.6)	-10.7 ***	(3.6)	-4.4	(3.6)
Hours per week unreported[a]	0.3	0.9	0.9	-0.6	(0.7)	-0.1	(0.7)	-0.6	(0.7)
Less than 30	14.3	11.6	15.2	-1.0	(2.8)	-3.7	(2.8)	2.7	(2.8)
30	8.5	6.1	1.1	7.4 ***	(1.9)	4.9 ***	(1.9)	2.4	(1.9)
31-34	4.6	3.7	0.1	4.6 ***	(1.4)	3.6 ***	(1.4)	1.0	(1.4)
35	4.5	5.1	2.9	1.6	(1.7)	2.2	(1.7)	-0.6	(1.7)
36-39	3.1	2.1	2.5	0.6	(1.3)	-0.4	(1.3)	1.0	(1.3)
40	7.6	10.7	5.3	2.3	(2.2)	5.4 **	(2.2)	-3.1	(2.2)
More than 40	4.1	2.5	3.8	0.3	(1.5)	-1.3	(1.5)	1.5	(1.5)
Sample size (total = 862)	286	288	288						

Source: Calculations from 18-month follow-up survey data.

Notes: A two-tailed t-test was applied to impact estimates. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent.

Rounding may cause slight discrepancies in sums and differences.

[a]Sample members in this category were employed during the month but did not report enough information about hours worked and/or earnings for the outcome in question to be calculated.

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Economic considerations suggest that people who can find high-wage jobs are likely to work even without an earnings supplement. The results in Table 4.2 support this prediction. According to column 4 of the top panel, SSP Plus reduced the proportion of people not working in month 15 by 15.2 percentage points. Furthermore, the largest increase in employment occurred at hourly wages within $1.00 of the provincial minimum wage, which was $5.25 in the calendar month corresponding to month 15 (January 1996 to May 1996).[12] Isolating the added effects of services tells a similar story (column 8). Adding services reduced the proportion not working by 4.4 percentage points (not statistically significant), but most of the new job holders earned wages within $1.00 of the provincial minimum wage. Somewhat surprisingly, adding services also increased the proportion of jobs that paid between $7.00 and $7.99 per hour, reversing an effect of the financial incentives alone. This finding might imply that services help some people find low-paying jobs that allow them to take advantage of the SSP supplement, but that services also help other people find somewhat higher paying jobs.

How does SSP affect weekly hours? Because program group members can qualify for the SSP supplement by working 30 hours per week, it is possible that SSP's main impact on weekly hours would be seen among jobs with 30 hours per week. Such clustering might also be encouraged by the fact that the SSP supplement is reduced by $.50 for every additional dollar of earnings for people working 30 hours per week. If supplement takers can freely choose their hours of work and are influenced by this high "implicit tax rate" (two assumptions that may not be true), many of them will choose to work no more than 30 hours per week. On the other hand, because many full-time jobs require the job holder to work 35 or 40 hours per week, SSP could increase the likelihood that a worker works 35 or more hours per week. The table shows that financial incentives plus services raised the percentages of program group members working both 30 hours per week and between 31 and 34 hours per week, although the increase at 30 hours was greater. Adding services to financial incentives had no measurable effects on hours worked in month 15.[13]

Estimated Impacts on IA and Cash Transfer Payments

The additional full-time employment from SSP Plus relative to regular SSP suggests that there will be differences in receipt of public assistance as well. First, working full time qualifies the program group member to receive the SSP supplement, so receipt of the supplement should be higher for the SSP Plus program group than for the regular SSP program group. Second, program group members have to leave Income Assistance to receive

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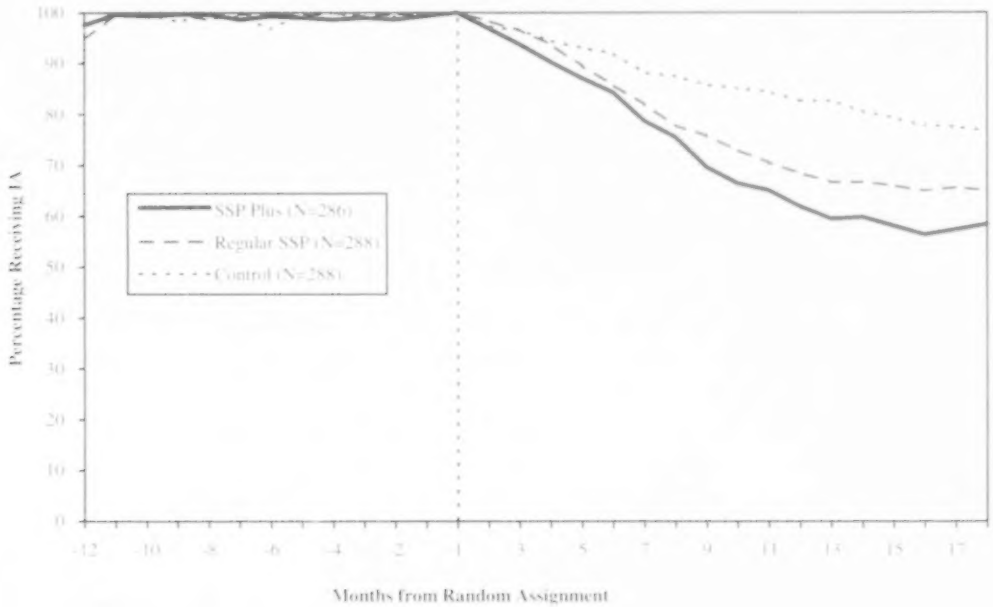
[12] As Lin et al., 1998, pointed out, for the regular SSP program, however, the comparison of program and control group wage distributions cannot provide definitive evidence that the SSP Plus program led 15.2 percent of the SSP Plus program group to work for hourly wages between $5.00 and $5.99 when they otherwise would have been in the "Not working" category. Other scenarios are also consistent with the data. For example, it is possible that SSP shifted 4.0 percent of program group members from "Not working" to the highest wage category ($8.00 or higher), 11.2 percent from "Not working" to "$5.00–$5.99," and 7.5 percent from wages above $5.99 to the "$5.00–$5.99" category. The latter shift might occur if the supplement enabled some program group members to take jobs that paid lower wages but were more attractive in other aspects such as work conditions, stability, or long-term prospects.

[13] In month 9, when the added impacts of SSP Plus on the full-time employment rate was largest, SSP Plus increased the percentage of sample members who worked 30 hours per week by a statistically significant percentage relative to regular SSP. SSP Plus also increased the percentage working more than 40 hours per week and decreased the percentage working 36–39 hours per week by statistically significant percentages, relative to regular SSP.

the supplement, and therefore receipt of Income Assistance should be lower for the SSP Plus program group than for the regular SSP program group. Because no additional windfall is expected for the SSP Plus program group, however, receipt of *either* Income Assistance or SSP should be no higher for the SSP Plus program group than for the regular SSP program group.

Figures 4.3 and 4.4 show that the IA receipt rate and the IA payments of the control group declined steadily from months 1 through 18, reflecting normal welfare dynamics.[14] For the SSP Plus and regular SSP program groups the decline is even greater, as expected given the requirement to withdraw from Income Assistance in order to receive the SSP supplement. The decline is greater for the SSP Plus program than for the regular SSP program, consistent with the greater impacts of SSP Plus on full-time employment. It is expected that after the 18-month period studied here, the IA receipt rates of both program groups and the control group will continue to decline, but the decline will be less for the program groups, because some program group members who normally would leave Income Assistance after month 18 were led by SSP's one-year time limit on supplement take-up to leave Income Assistance earlier. Therefore, the impacts of the SSP Plus and regular SSP programs on IA receipt and payments should decline somewhat over time.

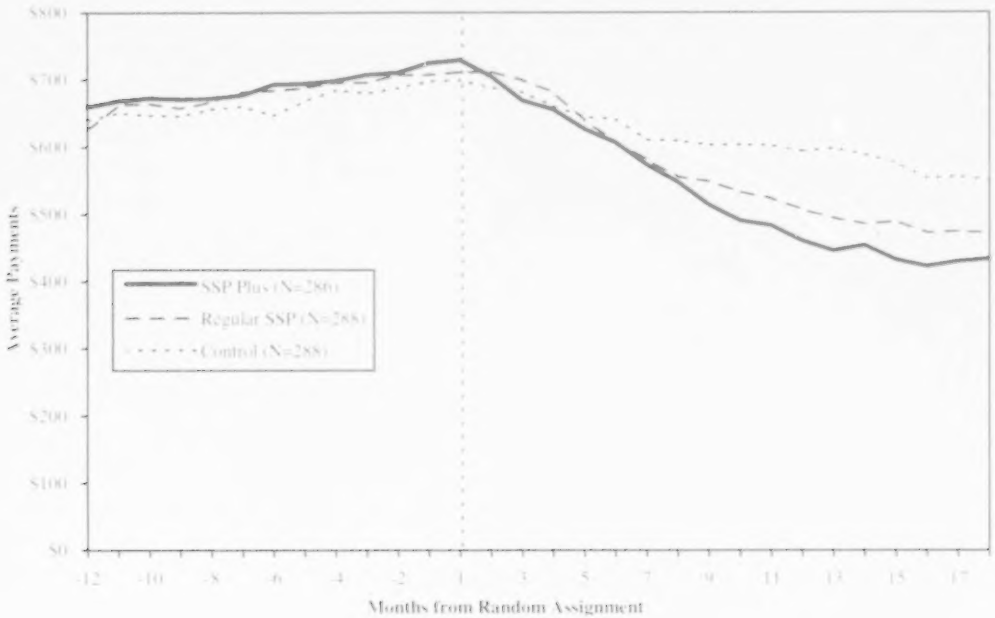
Figure 4.3: Percentage of SSP Plus, Regular SSP, and Control Group Members Receiving Income Assistance



Source: Calculations from Income Assistance administrative records.

[14] For the 12 months prior to random assignment (month 1), the receipt rate is close to 100 percent and the average benefit amount is relatively constant, reflecting the one-year eligibility requirement of SSP.

Figure 4.4: Average Monthly IA Payments Among SSP Plus, Regular SSP, and Control Group Members



Source: Calculations from Income Assistance administrative records.

Figure 4.5 shows the pattern of receipt of *either* Income Assistance or SSP during the first 18 months of the follow-up period. Figure 4.6 shows the pattern for the average monthly IA plus SSP payment amounts. As has been explained earlier in the chapter, the percentage receiving either Income Assistance or SSP and the amounts received were expected to be higher in both the SSP Plus and regular SSP program groups than in the control group but not necessarily different for the two program groups. This expectation is borne out by the figures. The rate of receipt of either IA or SSP payments for the SSP Plus program follows the rate for the regular SSP program group for most of the post-random assignment period, although it does dip below the regular SSP program group between months 9 and 15. The IA plus SSP payment amounts are virtually identical over the entire follow-up period.

A closer look at the magnitudes of estimated impacts on receiving IA and SSP payments is provided in Table 4.3. The estimates shown are monthly averages for each quarter (three-month period), beginning with the quarter of random assignment and ending with the sixth quarter of the follow-up period.[15] Like the estimates in previous tables, they are adjusted for the effects of certain baseline characteristics.[16]

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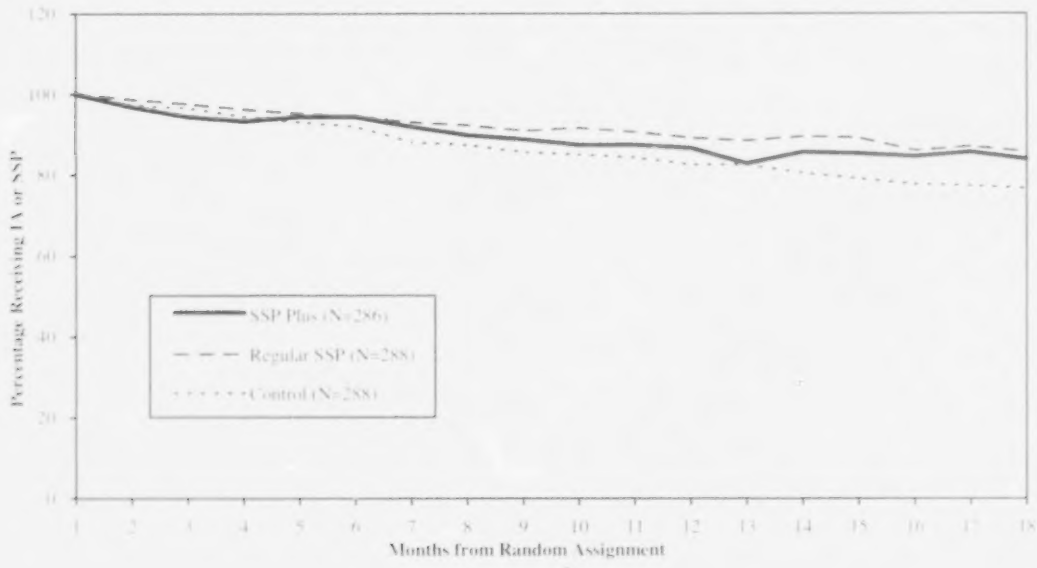
[15] Impact estimates are also available for two out of the three months in quarter 7 of the follow-up period (months 19 and 20), but are not reported in Table 4.3. There is no indication from these partial-quarter estimates that the impacts are significantly different from the impacts in quarter 6.

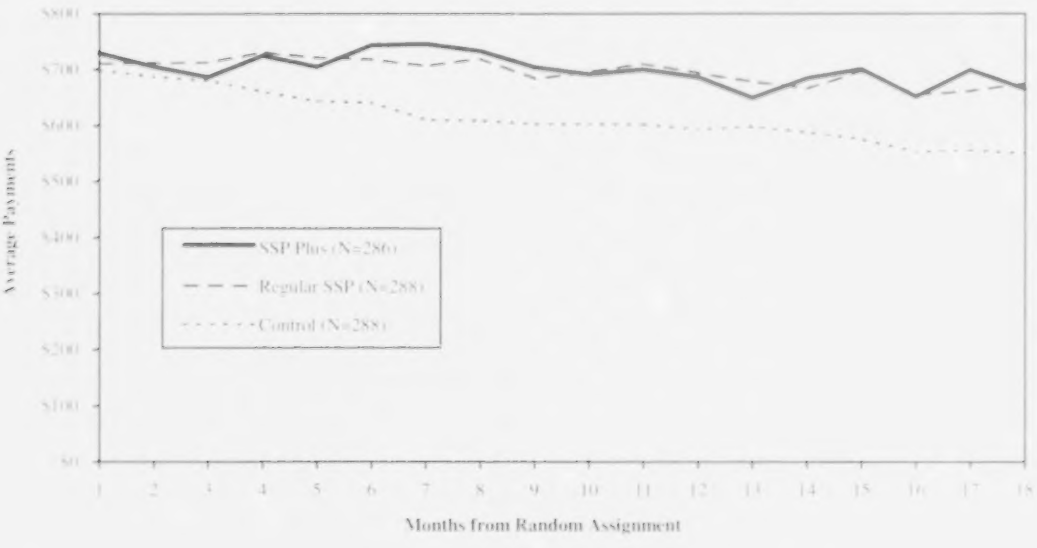
[16] The appendix presents the unadjusted impacts, which, like the estimated impacts for employment, are generally larger than the adjusted impacts.

Figure 4.5: Percentage of SSP Plus, Regular SSP, and Control Group Members Receiving IA or SSP



Sources: Calculations from Income Assistance administrative records and payment records from SSP's Program Management Information System (PMIS).

Figure 4.6: Average Monthly IA and SSP Payments Among SSP Plus, Regular SSP, and Control Group Members



Sources: Calculations from Income Assistance administrative records and payment records from SSP's Program Management Information System (PMIS).

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Table 4.3: Adjusted SSP Plus Impacts on IA and Supplement Receipt and Payments

Outcome	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
	SSP Plus Program Group (1)	Regular SSP Program Group (2)	Control Group (3)	Impacts of Financial Incentives and Services (4)	Standard Error (5)	Impacts of Financial Incentives Alone (6)	Standard Error (7)	Added Impacts of Services (8)	Standard Error (9)
Receiving IA (%)									
Quarter 1	97.0	98.2	97.8	-0.8	(0.9)	0.4	(0.9)	-1.3	(0.9)
Quarter 2	87.8	88.7	93.6	-5.8 ***	(2.1)	-4.8 **	(2.1)	-0.9	(2.1)
Quarter 3	75.7	77.0	87.6	-11.9 ***	(2.9)	-10.6 ***	(2.9)	-1.3	(2.9)
Quarter 4	65.7	69.0	84.5	-18.8 ***	(3.3)	-15.5 ***	(3.2)	-3.3	(3.3)
Quarter 5	60.7	64.6	81.1	-20.4 ***	(3.4)	-16.5 ***	(3.3)	-3.9	(3.4)
Quarter 6	59.0	63.1	77.8	-18.8 ***	(3.5)	-14.7 ***	(3.5)	-4.1	(3.5)
Receiving SSP (%)									
Quarter 1	1.1	0.9	0.0	1.1 ***	(0.4)	1.0 **	(0.4)	0.2	(0.4)
Quarter 2	10.9	9.8	-0.4	11.3 ***	(1.8)	10.2 ***	(1.8)	1.1	(1.8)
Quarter 3	20.5	17.6	-0.4	20.8 ***	(2.4)	17.9 ***	(2.4)	2.9	(2.4)
Quarter 4	27.2	23.4	-0.2	27.3 ***	(2.7)	23.5 ***	(2.7)	3.8	(2.7)
Quarter 5	28.9	25.5	0.1	28.8 ***	(2.7)	25.4 ***	(2.7)	3.4	(2.7)
Quarter 6	28.4	23.4	0.1	28.3 ***	(2.7)	23.3 ***	(2.6)	5.0 *	(2.7)
Receiving either IA or SSP (%)									
Quarter 1	97.2	98.7	97.8	-0.6	(0.8)	0.9	(0.8)	-1.5 *	(0.8)
Quarter 2	94.7	94.7	93.1	1.5	(1.7)	1.5	(1.7)	0.0	(1.7)
Quarter 3	91.2	91.1	87.2	3.9 *	(2.2)	3.9 *	(2.2)	0.0	(2.2)
Quarter 4	87.9	89.6	84.2	3.7	(2.5)	5.4 **	(2.5)	-1.7	(2.5)
Quarter 5	85.4	88.0	81.1	4.3	(2.7)	6.9 ***	(2.7)	-2.6	(2.7)
Quarter 6	85.4	85.2	77.8	7.6 ***	(2.8)	7.3 ***	(2.8)	0.3	(2.8)
Average IA payments ($/month)									
Quarter 1	696	701	699	-3	(10)	2	(10)	-5	(10)
Quarter 2	630	633	658	-28 *	(17)	-25	(17)	-3	(17)
Quarter 3	547	549	617	-70 ***	(22)	-68 ***	(22)	-2	(22)
Quarter 4	481	508	609	-128 ***	(25)	-102 ***	(25)	-27	(25)
Quarter 5	450	474	596	-146 ***	(26)	-122 ***	(26)	-24	(26)
Quarter 6	436	455	562	-125 ***	(27)	-107 ***	(27)	-19	(27)

(continued)

Table 4.3: Adjusted SSP Plus Impacts on IA and Supplement Receipt and Payments

Outcome	Average Outcome Levels: SSP Plus Program Group (1)	Average Outcome Levels: Regular SSP Program Group (2)	Average Outcome Levels: Control Group (3)	SSP Plus vs. Control: Impacts of Financial Incentives and Services (4)	SSP Plus vs. Control: Standard Error (5)	Regular SSP vs. Control: Impacts of Financial Incentives Alone (6)	Regular SSP vs. Control: Standard Error (7)	SSP Plus vs. Regular SSP: Added Impacts of Services (8)	SSP Plus vs. Regular SSP: Standard Error (9)
Average SSP supplement payments ($/month)									
Quarter 1	6	5	0	6 ***	(2)	5 **	(2)	1	(2)
Quarter 2	94	86	-5	99 ***	(16)	91 ***	(16)	8	(16)
Quarter 3	179	148	-3	183 ***	(21)	151 ***	(21)	31	(21)
Quarter 4	210	185	-1	211 ***	(21)	186 ***	(21)	25	(21)
Quarter 5	226	199	1	225 ***	(22)	197 ***	(22)	28	(23)
Quarter 6	236	199	0	236 ***	(24)	199 ***	(24)	37	(24)
Average Income from IA and SSP ($/month)									
Quarter 1	703	706	699	4	(10)	7	(10)	-4	(10)
Quarter 2	724	719	654	71 ***	(18)	66 ***	(18)	5	(18)
Quarter 3	727	697	614	113 ***	(21)	83 ***	(21)	30	(21)
Quarter 4	691	692	608	83 ***	(22)	84 ***	(22)	-1	(22)
Quarter 5	676	672	597	79 ***	(24)	75 ***	(24)	4	(24)
Quarter 6	672	654	562	110 ***	(24)	92 ***	(24)	18	(25)
Sample size (total = 862)	286	288	288						

Sources: Calculations from Income Assistance administrative records and payment records from SSP's Program Management Information System (PMIS).

Notes: The estimates for quarters 1-6 are calculated by averaging the monthly estimates for the three months within a quarter.

A two-tailed t-test was applied to impact estimates. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent.

Rounding may cause slight discrepancies in sums and differences.

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The first panel of Table 4.3 shows estimated impacts on the average monthly percentage receiving Income Assistance in quarters 1 to 6. As indicated in columns 4 and 6, both the SSP Plus and regular SSP programs had a substantial impact on the receipt of Income Assistance. For the SSP Plus program, the largest impact occurred in quarter 5, when SSP Plus decreased the IA receipt rate by 20.4 percentage points: 60.7 percent of the SSP Plus program group members were receiving Income Assistance, compared with 81.1 percent of the control group. The estimated impacts in quarters 4 and 6 were somewhat smaller, but very close to the impact in quarter 5. As expected, the impacts on IA receipt were roughly the same size as the impacts on full-time employment (see Table 4.1).

For the regular SSP program, the largest estimated impact also occurred in quarter 5, when SSP decreased the IA receipt rate by 16.5 percentage points: 64.6 percent of the regular SSP program group members were receiving Income Assistance, compared with 81.1 percent of the control group. The estimated impacts in quarters 4 and 6 were only slightly less than the impact in quarter 5.

In every quarter, the reduction in receipt of Income Assistance for SSP Plus program group members was larger than the reduction for regular SSP program group members (column 8). This finding implies that the combination of financial incentives and services generates a larger impact on receipt of Income Assistance than financial incentives alone. None of the incremental impacts, however, are statistically significant.[17]

The percentages receiving SSP supplements are shown in the second panel of Table 4.3. By definition, these percentages are zero for the control group.[18] Throughout the post-random-assignment period, a greater percentage of SSP Plus program group members than of regular SSP program group members received a supplement. By quarter 6, the incremental was 5.0 percentage points (column 8), which is similar to the incremental impact on receipt of Income Assistance.

The percentages receiving *either* IA or SSP supplement payments are shown in the third panel.[19] As has been explained earlier in the chapter, this percentage was expected to be higher in both program groups than in the control group. In quarter 6, monthly averages of 85.4 percent of SSP Plus program group members and 85.2 percent of regular SSP program group members received either IA or SSP payments.[20] By comparison, 77.8 percent of control group members received Income Assistance. Thus, both SSP programs increased the fraction receiving either IA or SSP payments by approximately the same amount.

To understand why the percentage receiving either Income Assistance or SSP increased, first note that the reduction in IA receipt induced by SSP did not translate into any reduction

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[17] As shown in the Appendix, the unadjusted *differential* impacts in quarters 4 through 6 are all statistically significant, and, unlike the unadjusted *differential* impacts on full-time employment, they continued to grow until quarter 6.

[18] Because of regression adjustment, the estimates of SSP receipt rates for the control group shown in Table 4.3 are not all exactly zero.

[19] For the control group this should be the same as the percentage receiving Income Assistance, since control group members are not eligible to receive SSP. Because of regression adjustment, the percentages are not equal but close.

[20] In quarter 6, a monthly average of 59.0 percent of SSP Plus program group members received Income Assistance, and a monthly average of 28.4 percent received supplement payments. These percentages add up to more than 85.4 percent because in each month a small percentage of program group members received both their last Income Assistance payment and their first supplement payment. The same relationship is true among regular SSP program group members.

in the percentage receiving either IA or SSP payments, because SSP essentially led people to give up the IA cheque in order to gain a paycheque and a supplement cheque. Second, SSP also provided supplement cheques to some people who would have left Income Assistance for full-time employment even in the absence of the supplement. These individuals are windfall recipients.

The impact on the percentage receiving either IA or SSP payments increased over time for both the SSP Plus and regular SSP program groups. A large percentage of control group members left Income Assistance during quarters 1–6; by quarter 6, 22.2 percent of control group members were not receiving Income Assistance. In the two program groups, the percentage receiving either Income Assistance or the supplement did not decline as steeply, because many of the program group members who left Income Assistance were receiving the supplement.

Because the percentage of the program group receiving either Income Assistance or the SSP supplement was higher than the percentage of the control group receiving Income Assistance, both SSP programs generated a net increase in cash transfer payments from the government to sample members. For example, in quarter 6, SSP Plus reduced average monthly IA payments by $125 per program group member, but these savings were more than offset by the monthly supplement payments, which averaged $236 per SSP Plus program group member. Thus, SSP Plus increased public expenditures on transfer payments during this period by $110. Regular SSP increased public expenditures by $92. As indicated in column 8 of the last panel of the table, there was no statistically significant difference in any quarter in the additional income generated by the SSP Plus program relative to the regular SSP program. Hence, the additional take-up in the SSP Plus program did not lead to any additional cash transfer payments by the government.[21]

Estimated Impacts on Family Income

The modest additional impacts of SSP Plus services on employment and earnings suggest that there might be corresponding modest additional impacts on family income and family living conditions. In this section, some of these additional impacts are examined.

Impacts on average monthly individual and family income in the six months prior to the 18-month survey (months 12–17)[22] are given in Table 4.4. This table shows that the added impacts of the SSP Plus services are statistically significant. In months 12–17, the addition of services raised the impact on average monthly net family income by a statistically significant $109 (column 8). This is about an 8.9 percent increase over the $1,218 average monthly net family income in the regular SSP program (column 2). The largest parts of this additional impact come from the additional (not statistically significant) $45 impact on earnings of other family members and $43 impact on individual earnings. The remainder comes from increased

[21] The SSP Plus program incurred additional administrative costs from the provision of services, however.

[22] The six months prior to the 18-month survey come within the period between August 1995 and September 1996. The timing of those six months relative to random assignment also varies because the "18-month" interview occurred as early as month 16 or as late as month 20 for the sample studied in this report. For 89.6 percent of sample members, the 18-month interview occurred in month 18, so the six-month period consisted of months 12–17. For ease of exposition, the period is referred to as "months 12–17," even though the period does not consist of months 12–17 for everyone.

Table 4.4: Adjusted SSP Plus Impacts on Individual and Family Income, Months 12-17

Outcome ($/month)	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
	SSP Plus Program Group (1)	Regular SSP Program Group (2)	Control Group (3)	Impacts of Financial Incentives and Services (4)	Standard Error (5)	Impacts of Financial Incentives Alone (6)	Standard Error (7)	Added Impacts of Services (8)	Standard Error (9)
Individual income									
Earnings	334	291	214	120 ***	(34)	77 **	(34)	43	(34)
SSP supplement	220	187	1	219 ***	(22)	186 ***	(22)	33	(22)
Income Assistance	463	490	607	-144 ***	(27)	-117 ***	(26)	-28	(26)
Child Tax Benefit	133	130	133	0	(7)	-3	(7)	4	(7)
GST Credit	40	40	41	-1	(1)	-1	(1)	0	(1)
Unemployment Insurance	20	17	15	5	(7)	2	(7)	3	(7)
Alimony and child support	41	21	23	18 **	(8)	-2	(8)	20 **	(8)
Other income[a]	20	19	22	-2	(7)	-3	(7)	1	(7)
Total	1,272	1,194	1,056	216 ***	(40)	138 ***	(40)	78 *	(40)
Earnings of other family members	115	70	132	-17	(47)	-62	(47)	45	(47)
Family income[b]	1,387	1,264	1,188	199 ***	(63)	76	(62)	123 **	(62)
Taxes (income and payroll)	60	46	17	43 ***	(8)	29 ***	(7)	14 *	(8)
Net family income	1,327	1,218	1,171	156 ***	(59)	47	(58)	109 *	(58)
Sample size (total = 770)	257	258	255						

Sources: Calculations from 18-month follow-up survey data, Income Assistance administrative records, and payment records from SSP's Program Management Information System (PMIS).

Notes: All estimates are monthly averages pertaining to the six months prior to the 18-month follow-up survey.

Sample members with missing values for any income measure shown in the table were excluded from the analysis.

A two-tailed t-test was applied to the impact estimates. Statistical significance levels are indicated as * = 10 percent, ** = 5 percent, *** = 1 percent.

Rounding may cause slight discrepancies in sums and differences.

[a] "Other income" includes income from workers and boarders, disability benefits, old age assistance, workers compensation, interest, and dividends, and other reported income. Drug or subsidies are not included.

[b] Family income is measured by the sum of the individual's income plus the labour earnings of any other members in the sample member's family.

Taxes were imputed using federal and provincial tax rules and include payroll deductions for Unemployment Insurance (now Employment Insurance) and Canada Pension Plan premiums. Taxes were imputed for the sample member's income only.

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alimony and child support ($20), which is significantly higher for the SSP Plus program group than for the regular SSP program group.[23]

The $28 decrease in IA payments (not statistically significant) resulting from the additional SSP Plus members moving off of Income Assistance was offset by a $33 increase in SSP supplement payments (also not statistically significant). Considering impacts on other transfers (Child Tax Benefit and Unemployment Insurance) as well as the additional taxes resulting from the increased earnings, there was virtually no change in public cash transfer payments as a result of the services provided by SSP Plus.

CONCLUSIONS

A significant proportion of single parents on welfare are willing and able to work full time but are discouraged from doing so because the wages they could earn are too low to make their families better off. This chapter has shown that an earnings supplement can succeed in inducing many of them to work. It has also shown that an earnings supplement combined with extensive job-search and other services might be able to induce even more persons to work. It is difficult to determine how many more would work, however, because small sample sizes render the impact estimates imprecise. It also appears that the additional people induced to work exhibit some difficulty in maintaining full-time employment.

The SSP Plus and regular SSP programs substantially increased employment and earnings and reduced IA receipt during the first year and a half after program group members were offered the supplement (or the supplement plus services). Although the programs increased cash transfer payments to sample members, the supplements paid to persons who found full-time work after being offered employment services did not result in any further increase in cash transfer payments.

As expected, the additional employment generated by both the SSP Plus and regular SSP programs appeared to have occurred primarily at low wage rates and at levels of earnings that would not make work pay much better than welfare in the absence of the supplement. After the supplement period ends, the persistence of SSP's impacts on employment, earnings, and IA receipt is likely to depend on the extent to which supplement takers experience significant progression in wage rates, increases in hours of work, changes in attitudes that strengthen their inclination to work and remain off welfare, or changes in circumstances that make it more desirable to continue working.

The SSP Plus program resulted in more than half of the eligible sample finding full-time employment and receiving a supplement at some time during the first year and a half of the program. This was substantially more than the one-third of the regular SSP sample ever

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[23] Relative to regular SSP, SSP Plus does not have any clear implications for the earnings of other family members or for income from alimony and child support. It does not directly affect the wages of other family members but may increase, decrease, or leave unchanged the earnings of other family member as it increases the earnings of SSP Plus sample members. Family members may feel encouraged to work more (or the same) as the sample member works more because there is a reduction in the leisure time they can spend together. On the other hand, family members may feel free to work less since the sample member is now bringing additional income into the family. Or family members may work less because they provide child care for the newly employed sample member. Alimony and child support may increase if SSP Plus staff encouraged SSP Plus program group members to pursue alimony and child support.

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receiving a supplement. Although many more of the SSP Plus program group took up the supplement, their monthly take-up rates were not much higher than the monthly take-up rates of the regular SSP program group. While the employment services provided by SSP Plus stimulated additional employment early on, many of these persons subsequently reduced weekly work hours to below 30.

Both SSP Plus and the regular SSP program increased employment in low-earnings jobs. This is not a surprise, since SSP was designed to make full-time work more attractive to people who would otherwise have little financial incentive to work. As Lin et al. (1998) found, many single parents on Income Assistance are interested in full-time work and are able to find it but are discouraged from working because the wages they could earn are too low to make their families better off. However, even with additional services, SSP Plus seems to have resulted in more temporary full-time employment for sample members. Two questions are unanswered at this point: Will the SSP Plus sample members who found temporary employment be able to regain full-time employment before the three-year supplement period ends? Will they continue working after the three-year supplement period ends? These questions will be addressed in future reports.

Appendix

Table A.1: Significance of Variation in Baseline Characteristics

Characteristic	P-Value, Overall Variation	Differences in Characteristics: SSP Plus vs. Control	Regular SSP vs. Control	SSP Plus vs. Regular SSP
Gender (%)				
Female	0.3614	2.06	1.74	0.33
Age (%)				
19-24	0.2819	5.75	3.56	2.19
25-29	0.2342	1.90	-3.76	5.66 *
30-39	0.9387	1.30	1.17	0.13
40-49	0.0011 ***	-10.70 ***	-3.42	-7.29 **
50 or older	0.1473	1.76	2.44 *	-0.69
Marital status (%)				
Married or living common-law[a]	0.6088	-1.03	0.00	-1.03
Never married	0.8356	1.44	-1.04	2.48
Divorced, separated, or widowed	0.9367	-0.41	1.04	-1.45
Education				
Completed education (%)				
Less than high school education	0.4459	-1.74	3.47	-5.21
Completed high school, no post-secondary education	0.6758	2.71	-0.69	3.40
Some post-secondary education	0.5154	-0.97	-2.78	1.80
Enrolled in school at random assignment (%)	0.0145 **	7.06 ***	0.69	6.36 **
Family background				
Mother did not finish high school (%)	0.8071	-0.92	1.68	-2.60
Father did not finish high school (%)	0.4555	-1.40	3.99	-5.38
One or both parents absent when growing up (%)[b]	0.0469 **	-3.95	5.90	-9.85 **
Family received welfare when growing up (%)[c]	0.1324	-3.45	4.39	-7.84 **
Recent welfare history				
Number of months on IA in prior 3 years (%)				
10-23	0.8253	0.15	-1.74	1.88
24-35	0.6644	3.38	2.78	0.60
All 36	0.6838	-3.53	-1.04	-2.48
Average IA payment in prior month ($)	0.2117	27.01 *	9.74	17.27
Work history and labour force status				
Ever had a paid job (%)	0.1649	0.64	3.82 *	-3.18
Average years worked	0.5539	-0.54	-0.05	-0.49
Labour force status at random assignment (%)				
Employed 30 hours/week or more	0.5540	-0.64	-2.38	1.75
Employed less than 30 hours/week	0.4092	-3.73	-3.03	-0.70
Looking for work, not employed	0.4030	4.35	0.50	3.85
Neither employed nor looking for work	0.3978	0.02	4.91	-4.90
Activity-limiting conditions (%)				
Reported physical problem[d]	0.9635	-0.96	-0.70	-0.26
Reported emotional problem[e]	0.5222	0.72	2.47	-1.75
Children				
Number of children under age 19 (%)				
1	0.8336	-2.02	0.22	-2.23
2	0.4935	0.89	4.28	-3.39
3 or more	0.0546 *	1.12	-4.49 *	5.62 **
Age of youngest child (%)				
0-2	0.2798	5.07	5.44	-0.38
3-5	0.1996	0.08	-5.44	5.52
6-11	0.6435	2.25	-1.22	3.46
12 or older	0.0232 **	-7.40 **	1.21	-8.61 **

(continued)

Table A.1: Significance of Variation in Baseline Characteristics (Cont'd)

Characteristic	P-Value, Overall Variation	Differences in Characteristics: SSP Plus vs. Control	Regular SSP vs. Control	SSP Plus vs. Regular SSP
Not working and couldn't take a job in prior 4 weeks because of (%)[1]				
Any reason	0.5651	3.76	3.82	-0.06
Own illness or disability	0.4277	-1.36	2.34	-3.70
Lack of adequate child care	0.5074	1.44	-1.46	2.89
Personal or family responsibility	0.8811	-1.36	-0.78	-0.58
Going to school	0.0068 ***	5.98 ***	0.31	5.67 ***
No transportation	0.6121	0.37	-1.43	1.80
Too much competition	0.6088	-0.35	0.00	-0.35
Not enough education	0.0326 **	-3.14 *	1.35	-4.49 **
Not enough experience or skills	0.0541 *	-2.79 *	1.01	-3.80 **
Other	0.3103	-1.73	-0.35	-1.38
Opinions and expectations				
Said greatest need was (%)				
Immediate full-time employment	0.3842	-5.17	-4.51	-0.66
Immediate part-time employment	0.7269	0.45	-1.39	1.84
Education or training	0.1403	8.09 **	3.82	4.27
Something else	0.2105	-3.38	1.04	-4.43 *
Don't know	0.5502	0.01	1.04	-1.03
"If I got a job, I could find someone I trust to take care of my children"				
Agree	0.0986 *	8.50 **	3.26	5.24
Disagree	0.3151	-3.39	-4.23	0.84
No care required	0.1514	-5.11	0.97	-6.08 *
Urban residence (%)	0.7865	-1.61	1.04	-2.65
Ethnic background				
First Nations ancestry (%)	0.4211	-1.72	-2.45	0.73
Asian ancestry (%)	0.3668	-0.35	-0.70	0.35
French-speaking (%)	0.4008	3.67	-1.04	4.71
Immigration				
Not born in Canada (%)	0.9541	0.37	0.35	0.02
Immigrated in last 5 years (%)	0.7754	0.35	0.00	0.35

Sources: Calculations from baseline survey data and Income Assistance administrative records.

Notes: An F-test was applied to variation across the three research groups in the characteristic. A two-tailed t-test was applied to differences in the characteristic between each pair of research groups. Statistical significance levels are indicated as: * = 10 percent; ** = 5 percent; *** = 1 percent.

Sample sizes vary for individual measures because of missing values.

[1] Although all sample members were receiving Income Assistance as single parents at the time of sample selection, a small number said they were married or living common-law in answer to the question "What is your marital status?" on the baseline survey.

The question on the baseline survey was: "Up until you were 16 years old, were you living with both your mother and father?"

The question on the baseline survey was: "Up until you were 16 years old, did anyone in your household ever receive social assistance or welfare aid?"

Sample members were considered to have an activity-limiting physical condition if they answered yes to any of the following: "Do you have a long-term physical condition or health problem that limits you in the kind or amount of activity you can do (a) at home? (b) at school? (c) at work? (d) in other activities such as travel, sports, or leisure?" Those who were not working generally did not answer the "at work" part of the question, so their classifications are based on answers to the other parts. The conditions reported were not necessarily permanent. Of the sample members who reported an activity-limiting physical condition at the baseline interview, over one-third indicated no such problems at the 18-month follow-up interview.

Sample members were considered to have an activity-limiting emotional condition if they answered yes to any of the following: "Are you limited in the kind or amount of activity you can do because of a long-term emotional, psychological, nervous, or mental health condition or problem (a) at home? (b) at school? (c) at work? (d) in other activities such as travel, sports, or leisure?"

[2] Multiple responses allowed.

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Table A.2: Unadjusted SSP Plus Impacts on Employment and Earnings

Outcome	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
	SSP Plus Program Group (1)	Regular SSP Program Group (2)	Control Group (3)	Impacts of Financial Incentives and Services (4)	Standard Error (5)	Impacts of Financial Incentives Alone (6)	Standard Error (7)	Added Impacts of Services (8)	Standard Error (9)
Full-time employment rate (%)[a]									
Quarter 1	14.7	12.4	11.0	3.7	(2.6)	1.4	(2.6)	2.3	(2.6)
Quarter 2	22.3	17.5	10.9	11.4 ***	(2.9)	6.6 **	(2.9)	4.8	(2.9)
Quarter 3	28.8	22.3	12.4	16.4 ***	(3.2)	10.0 ***	(3.2)	6.4 **	(3.2)
Quarter 4	33.1	27.9	14.2	18.9 ***	(3.4)	13.7 ***	(3.4)	5.2	(3.4)
Quarter 5	33.3	29.6	16.2	17.1 ***	(3.5)	13.4 ***	(3.5)	3.7	(3.5)
Part-time employment rate (%)[b]									
Quarter 1	10.6	11.8	17.5	-6.9 **	(2.7)	-5.7 **	(2.7)	-1.2	(2.7)
Quarter 2	12.0	10.1	17.5	-5.5 **	(2.7)	-7.4 ***	(2.7)	1.9	(2.7)
Quarter 3	13.3	12.4	18.1	-4.8 *	(2.8)	-5.7 **	(2.8)	0.9	(2.8)
Quarter 4	14.2	11.6	17.5	-3.3	(2.8)	-5.9 **	(2.8)	2.6	(2.8)
Quarter 5	14.5	11.2	16.1	-1.6	(2.8)	-4.9 *	(2.8)	3.2	(2.8)
Overall employment rate (%)									
Quarter 1	25.3	24.2	28.5	-3.2	(3.5)	-4.3	(3.5)	1.1	(3.5)
Quarter 2	34.3	27.5	28.4	5.9	(3.6)	-0.8	(3.6)	6.7 *	(3.6)
Quarter 3	42.1	34.7	30.4	11.6 ***	(3.8)	4.3	(3.8)	7.4 *	(3.8)
Quarter 4	47.3	39.5	31.7	15.6 ***	(3.9)	7.8 **	(3.9)	7.9 **	(3.9)
Quarter 5	47.8	40.9	32.3	15.5 ***	(3.9)	8.6 **	(3.9)	6.9 *	(3.9)
Average earnings ($/month)									
Quarter 1	148	128	149	-1	(26)	-21	(26)	21	(26)
Quarter 2	219	174	151	68 **	(29)	23	(29)	45	(29)
Quarter 3	312	230	181	131 ***	(35)	49	(35)	81 **	(35)
Quarter 4	343	271	207	136 ***	(36)	65 *	(36)	72 **	(36)
Quarter 5	348	286	232	116 ***	(37)	54	(37)	62 *	(37)
Sample size (total = 862)	286	288	288						

Source: Calculations from 18-month follow-up survey data.

Notes: The estimates for quarters 2-5 are calculated by averaging the monthly estimates for the three months within a quarter.

A two-tailed t-test was applied to impact estimates. Statistical significance levels are indicated as: *** = 1 percent, ** = 5 percent, * = 10 percent.

Sample sizes vary for individual outcomes because of missing values.

Rounding may cause slight discrepancies in sums and differences.

[a] "Full time employment" is defined as working 30 hours or more per week in at least one week during the month.

[b] "Part time employment" is defined as having some employment but no full time employment during the month.

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Table A.3: Unadjusted SSP Plus Impacts on IA and Supplement Receipt and Payments

Outcome	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
	SSP Plus Program Group (1)	Regular SSP Program Group (2)	Control Group (3)	Impacts of Financial Incentives and Services (4)	Standard Error (5)	Impacts of Financial Incentives Alone (6)	Standard Error (7)	Added Impacts of Services (8)	Standard Error (9)
Receiving IA (%)									
Quarter 1	96.9	98.3	97.9	-1.1	(0.9)	0.3	(0.9)	-1.4	(0.9)
Quarter 2	87.2	89.7	93.2	-6.0 ***	(2.2)	-3.5	(2.2)	-2.5	(2.2)
Quarter 3	74.6	78.5	87.2	-12.6 ***	(3.0)	-8.7 ***	(3.0)	-3.9	(3.0)
Quarter 4	64.5	70.6	84.0	-19.6 ***	(3.5)	-13.4 ***	(3.5)	-6.1 *	(3.5)
Quarter 5	59.1	66.4	80.8	-21.7 ***	(3.6)	-14.4 ***	(3.6)	-7.3 **	(3.6)
Quarter 6	57.3	65.2	77.3	-20.0 ***	(3.7)	-12.2 ***	(3.7)	-7.8 **	(3.7)
Receiving SSP (%)									
Quarter 1	1.0	0.9	0.0	1.0 **	(0.4)	0.9 **	(0.4)	0.1	(0.4)
Quarter 2	11.0	9.3	0.0	11.0 ***	(1.8)	9.3 ***	(1.8)	1.7	(1.8)
Quarter 3	20.7	16.9	0.0	20.7 ***	(2.4)	16.9 ***	(2.4)	3.8	(2.4)
Quarter 4	27.7	22.7	0.0	27.7 ***	(2.7)	22.7 ***	(2.7)	5.1 *	(2.7)
Quarter 5	30.0	24.7	0.0	30.0 ***	(2.8)	24.7 ***	(2.8)	5.3 *	(2.8)
Quarter 6	29.4	22.5	0.0	29.4 ***	(2.7)	22.5 ***	(2.7)	6.9 **	(2.7)
Receiving either IA or SSP (%)									
Quarter 1	97.1	98.7	97.9	-0.8	(0.8)	0.8	(0.8)	-1.6 *	(0.8)
Quarter 2	94.1	95.3	93.2	0.9	(1.7)	2.1	(1.7)	-1.2	(1.7)
Quarter 3	90.2	92.1	87.2	3.1	(2.2)	5.0 **	(2.2)	-1.9	(2.2)
Quarter 4	87.2	90.5	84.0	3.2	(2.5)	6.5 **	(2.5)	-3.3	(2.5)
Quarter 5	84.6	89.1	80.8	3.8	(2.7)	8.3 ***	(2.7)	-4.5 *	(2.7)
Quarter 6	84.7	86.3	77.3	7.4 ***	(2.8)	9.0 ***	(2.8)	-1.6	(2.8)
Average IA payments ($/month)									
Quarter 1	701	707	689	11	(16)	18	(16)	-6	(16)
Quarter 2	629	643	649	-20	(20)	-6	(20)	-13	(20)
Quarter 3	545	561	608	-63 **	(25)	-46 *	(25)	-16	(25)
Quarter 4	478	521	600	-122 ***	(28)	-79 ***	(28)	-43	(28)
Quarter 5	443	489	587	-144 ***	(29)	-98 ***	(29)	-46	(29)
Quarter 6	428	472	553	-125 ***	(30)	-81 ***	(30)	-45	(30)

(continued)

Table A.3: Unadjusted SSP Plus Impacts on IA and Supplement Receipt and Payments (Cont'd)

Outcome	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
	SSP Plus Program Group (1)	Regular SSP Program Group (2)	Control Group (3)	Impacts of Financial Incentives and Services (4)	Standard Error (5)	Impacts of Financial Incentives Alone (6)	Standard Error (7)	Added Impacts of Services (8)	Standard Error (9)
Average SSP supplement payments ($/month)									
Quarter 1	6	5	0	6 **	(2)	5 **	(2)	1	(2)
Quarter 2	95	81	0	95 ***	(16)	81 ***	(16)	14	(16)
Quarter 3	182	142	0	182 ***	(22)	142 ***	(22)	40 *	(22)
Quarter 4	215	179	0	215 ***	(22)	179 ***	(22)	36	(22)
Quarter 5	235	192	0	235 ***	(23)	192 ***	(23)	43 *	(23)
Quarter 6	244	191	0	244 ***	(24)	191 ***	(24)	52 **	(24)
Average Income from IA and SSP ($/month)									
Quarter 1	707	712	689	17	(15)	23	(15)	-5	(15)
Quarter 2	724	724	649	75 ***	(20)	75 ***	(20)	1	(20)
Quarter 3	727	703	608	120 ***	(22)	96 ***	(21)	24	(22)
Quarter 4	692	700	600	93 ***	(23)	100 ***	(23)	-7	(23)
Quarter 5	678	681	587	90 ***	(25)	93 ***	(25)	-3	(25)
Quarter 6	671	664	553	118 ***	(25)	111 ***	(25)	8	(25)
Sample size (total = 862)	286	288	288						

Sources: Calculations from Income Assistance administrative records and payment records from SSP's Program Management Information System (PMIS).

Notes: Differences may not equal 0.5 due to rounding. Quarterly impacts are calculated by averaging the monthly estimates for the three months within a quarter.
Winsorization was applied to impact estimates. Statistical significance levels are indicated as: *** = 1% percent, ** = 5 percent, * = 10 percent.
Regression-adjusted impact estimates are similar to unadjusted estimates.

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Table A.4: Unadjusted SSP Plus Impacts on the Distributions of Wages and Hours, Month 15

	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
Outcome	SSP Plus Program Group (1)	Regular SSP Program Group (2)	Control Group (3)	Impacts of Financial Incentives and Services (4)	Standard Error (5)	Impacts of Financial Incentives Alone (6)	Standard Error (7)	Added Impacts of Services (8)	Standard Error (9)
Hourly wage rate (% in each category)									
Not working	52.4	59.0	67.0	-14.6 ***	(4.1)	-8.0 **	(4.1)	-6.6	(4.1)
Wage unreported[a]	0.0	2.4	2.1	-2.1 **	(1.0)	0.3	(1.0)	-2.4 **	(1.0)
Less than $5.00	2.8	2.8	3.5	-0.7	(1.4)	-0.7	(1.4)	0.0	(1.4)
$5.00-5.99	26.9	20.8	8.0	18.9 ***	(3.2)	12.8 ***	(3.2)	6.1 *	(3.2)
$6.00-6.99	7.0	9.4	8.0	-1.0	(2.3)	1.4	(2.3)	-2.4	(2.3)
$7.00-7.99	6.3	2.1	3.5	2.8 *	(1.6)	-1.4	(1.6)	4.2 ***	(1.6)
$8.00 or higher	4.5	3.5	8.0	-3.4 *	(1.9)	-4.5 **	(1.9)	1.1	(1.9)
Hours worked per week (% in each category)									
Not working	52.4	59.0	67.0	-14.6 ***	(4.1)	-8.0 **	(4.1)	-6.6	(4.1)
Hours per week unreported[a]	0.3	0.7	1.0	-0.7	(0.7)	-0.3	(0.7)	-0.3	(0.7)
Less than 30	14.3	11.1	15.6	-1.3	(2.9)	-4.5	(2.9)	3.2	(2.9)
30	8.4	6.3	1.0	7.3 ***	(1.8)	5.2 ***	(1.8)	2.1	(1.8)
31-34	4.9	3.5	0.0	4.9 ***	(1.4)	3.5 **	(1.4)	1.4	(1.4)
35	4.9	4.5	3.1	1.8	(1.7)	1.4	(1.7)	0.4	(1.7)
36-39	2.8	2.1	2.8	0.0	(1.3)	-0.7	(1.3)	0.7	(1.3)
40	7.7	10.4	5.6	2.1	(2.2)	4.9 **	(2.2)	-2.7	(2.2)
More than 40	4.2	2.4	3.8	0.4	(1.5)	-1.4	(1.5)	1.8	(1.5)
Sample size (total = 862)	286	288	288						

Source: Calculations from 18-month follow-up survey data.

Notes: A two-tailed t-test was applied to impact estimates. Statistical significance levels are indicated as * = 10 percent, ** = 5 percent, *** = 1 percent.

Rounding may cause slight discrepancies in sums and differences.

[a]Sum of members in this category were employed during the month but did not report enough information about hours worked and/or earnings for the outcome in question to be calculated.

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Table A.5: Unadjusted SSP Plus Impacts on Individual and Family Income, Months 12-17

	Average Outcome Levels			SSP Plus vs. Control		Regular SSP vs. Control		SSP Plus vs. Regular SSP	
Outcome ($/month)	SSP Plus Program Group (1)	Regular SSP Program Group (2)	Control Group (3)	Impacts of Financial Incentives and Services (4)	Standard Error (5)	Impacts of Financial Incentives Alone (6)	Standard Error (7)	Added Impacts of Services (8)	Standard Error (9)
Individual income									
Earnings	341	273	224	116 ***	(38)	49	(37)	67 *	(37)
SSP supplement	227	181	0	227 ***	(23)	181 ***	(23)	46 **	(23)
Income Assistance	459	504	597	-138 ***	(29)	-93 ***	(29)	-44	(29)
Child Tax Benefit	136	128	131	5	(7)	-3	(7)	8	(7)
GST Credit	40	40	41	-1	(1)	-1	(1)	0	(1)
Unemployment Insurance	23	14	15	8	(7)	-1	(7)	9	(7)
Alimony and child support	40	21	24	16 **	(8)	-3	(8)	20 **	(8)
Other income[a]	19	21	22	-3	(8)	-1	(8)	-2	(8)
Total	1,285	1,182	1,055	231 ***	(42)	127 ***	(42)	103 **	(42)
Earnings of other family members	121	65	130	-10	(46)	-65	(46)	55	(46)
Family income[b]	1,406	1,247	1,185	221 ***	(64)	62	(64)	159 **	(64)
Taxes (income and payroll)[c]	61	43	18	43 ***	(8)	25 ***	(8)	18 **	(8)
Net family income	1,345	1,205	1,167	179 ***	(59)	38	(59)	141 **	(59)
Sample size (total = 770)	257	258	255						

Sources: Calculations from 18-month follow-up survey data, Income Assistance administrative records, and payment records from SSP's Program Management Information System (PMIS).

Notes: All estimates are monthly averages pertaining to the six months prior to the 18-month follow-up survey.

Sample members with missing values for any income measure shown in the table were excluded from the analysis.

A two-tailed t-test was applied to the impact estimates. Statistical significance levels are indicated as: * = 10 percent, ** = 5 percent, *** = 1 percent.

Rounding may cause slight discrepancies in sums and differences.

[a] Other income includes income from roomers and boarders, disability benefits, old age assistance, worker's compensation, interest and dividends, and other reported income. Day care subsidies are not included.

[b] Family income is measured by the sum of the individual's income plus the labour earnings of any other members in the sample member's family.

[c] Taxes were imputed using federal and provincial tax rules and include payroll deductions for Unemployment Insurance (now Employment Insurance) and Canada Pension Plan premiums. Taxes were imputed for the sample member's income only.

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